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CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 2003

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Release Date 4.28.04

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MANAGEMENT LETTER

* A Professional Accounting Corporation

**The Honorable Glenn Brasseaux, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana**

We have completed our audit of the basic financial statements of the City of Carencro, Louisiana for the year ended November 30, 2003, and submit the following recommendations for your consideration. These items were also included in our management letter dated February 3, 2003 for the audit period ended November 30, 2002 and are mentioned again for re-emphasis:

- (1) Regarding the internal controls and accounting for the police department, all tickets reduced or changed to warnings should be either signed or initialed by the person who is authorized to do so.
- (2) The Utility Fund sewerage and water departments experienced an operating loss. The City should consider increasing sewerage and water rates and/or decreasing expenses in order for the departments to operate on a profitable basis.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

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

Lafayette, Louisiana
February 12, 2004

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Glenn Brasseaux, Mayor,
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carencro, Louisiana, as of and for the year ended November 30, 2003, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the City of Carencro, Louisiana, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Carencro, Louisiana as of November 30, 2003, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the City of Carencro, Louisiana, as of November 30, 2003, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued a report dated February 12, 2004, on our consideration of the City of Carencro's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 39 through 41 are not a required part of the basic financial statements but are supplementary information required by the Governmental Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The City of Carencro has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carencro, Louisiana's basic financial statements. The other supplementary information on pages 44 through 76 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (page 70) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and also is not a required part of the basic financial statements of the City of Carencro, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the basic financial statements of the City of Carencro, Louisiana's primary government.

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

Lafayette, Louisiana
February 12, 2004

BASIC FINANCIAL STATEMENTS

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Assets

November 30, 2003

With Comparative Totals for November 30, 2002

	2003			2002 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 1,372,533	\$ 421,753	\$ 1,794,286	\$ 2,156,024
Investments	1,144,076	1,866,511	3,010,587	2,681,847
Receivables, net	149,731	312,215	461,946	446,098
Internal balances	(2,479)	2,479	-	-
Due from other governmental units	202,898	228,803	431,701	63,710
Due from component unit	56,299	-	56,299	128,574
Prepaid items	-	34,118	34,118	15,319
Total current assets	<u>2,923,058</u>	<u>2,865,879</u>	<u>5,788,937</u>	<u>\$ 5,491,572</u>
Noncurrent assets:				
Restricted assets:				
Investments	-	192,566	192,566	178,697
Capital assets, net	4,970,438	6,845,408	11,815,846	10,940,568
Total noncurrent assets	<u>4,970,438</u>	<u>7,037,974</u>	<u>12,008,412</u>	<u>11,119,265</u>
Total assets	<u>7,893,496</u>	<u>9,903,853</u>	<u>17,797,349</u>	<u>16,610,837</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	261,329	184,155	445,484	289,326
Bonds payable	130,000	-	130,000	120,000
Accrued interest	22,248	-	22,248	23,555
Total current liabilities	<u>413,577</u>	<u>184,155</u>	<u>597,732</u>	<u>432,881</u>
Noncurrent liabilities:				
Customers deposits payable	-	192,566	192,566	178,697
Compensated absences payable	21,312	18,935	40,247	66,540
Bonds payable	2,710,000	-	2,710,000	2,840,000
Total noncurrent liabilities	<u>2,731,312</u>	<u>211,501</u>	<u>2,942,813</u>	<u>3,085,237</u>
Total liabilities	<u>3,144,889</u>	<u>395,656</u>	<u>3,540,545</u>	<u>3,518,118</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,130,438	6,845,408	8,975,846	7,980,568
Restricted for debt service	418,164	-	418,164	411,009
Unrestricted	2,200,005	2,662,789	4,862,794	4,701,142
Total net assets	<u>\$ 4,748,607</u>	<u>\$9,508,197</u>	<u>\$14,256,804</u>	<u>\$13,092,719</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Activities
For the Year Ended November 30, 2003

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 484,254	\$ 179,199	\$ -	\$ 366,324	\$ 61,269	\$ -	\$ 61,269
Public safety:							
Police	630,843	73,776	13,318	-	(543,749)	-	(543,749)
Fire	190,986	-	78,048	-	(112,938)	-	(112,938)
Streets	363,569	-	57,750	-	(305,819)	-	(305,819)
Culture and recreation	60,140	-	-	-	(60,140)	-	(60,140)
Interest on long-term debt	137,298	-	-	-	(137,298)	-	(137,298)
Total governmental activities	<u>1,867,090</u>	<u>252,975</u>	<u>149,116</u>	<u>366,324</u>	<u>(1,098,675)</u>	<u>-</u>	<u>(1,098,675)</u>
Business-type activities:							
Gas	680,196	755,465	-	279,514	-	354,783	354,783
Water	484,378	449,479	-	202,407	-	167,508	167,508
Sewer	489,397	381,232	-	-	-	(108,165)	(108,165)
Sanitation	314,881	314,753	-	-	-	(128)	(128)
Total business-type activities	<u>1,968,852</u>	<u>1,900,929</u>	<u>-</u>	<u>481,921</u>	<u>-</u>	<u>413,998</u>	<u>413,998</u>
Total	<u>\$3,835,942</u>	<u>\$2,153,904</u>	<u>\$ 149,116</u>	<u>\$ 848,245</u>	<u>\$(1,098,675)</u>	<u>\$ 413,998</u>	<u>\$ (684,677)</u>
General revenues:							
Taxes -							
Sales and use taxes, levied for general purposes							
					1,518,205	-	1,518,205
Franchise taxes							
					273,501	-	273,501
Grants and contributions not restricted to specific programs -							
State sources							
					47,088	-	47,088
Interest and investment earnings							
					75,822	86,934	162,756
Miscellaneous							
					4,967	-	4,967
Net transfers to component unit							
					(157,755)	-	(157,755)
Transfers							
					100,000	(100,000)	-
					<u>1,861,828</u>	<u>(13,066)</u>	<u>1,848,762</u>
Total general revenues and transfers							
					763,153	400,932	1,164,085
Change in net assets							
					<u>3,985,454</u>	<u>9,107,265</u>	<u>13,092,719</u>
Net assets - December 1, 2002							
					<u>\$ 4,748,607</u>	<u>\$ 9,508,197</u>	<u>\$ 14,256,804</u>
Net assets - November 30, 2003							

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1967 Sales Tax Fund -

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

1993 Sales Tax Fund -

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

Capital Projects Fund

LCDBG Construction Fund

To account for the administration of Community Development Block Grant funds received from the U.S. Department of Housing and Urban Development for a municipal community center.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, sewer and sanitation services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF CARENCRO, LOUISIANA

Balance Sheet
Governmental Funds
November 30, 2003

With Comparative Actual Totals for November 30, 2002

	1967		1993		LCDBG Construction Fund	Other Governmental Funds	Totals	
	General	Sales Tax Special Revenue	Sales Tax Special Revenue				2003	2002
ASSETS								
Cash	\$ 82,820	\$ 165,788	\$ -	\$ 5,482	\$ 1	\$ 254,091	\$ 84,328	
Interest-bearing deposits	148,090	268,079	156,837	-	545,436	1,118,442	1,230,778	
Investments	-	1,088,977	-	-	55,099	1,144,076	959,614	
Receivables:								
Taxes	5,561	66,173	66,176	-	-	137,910	124,164	
Accrued interest	624	8,057	-	-	1,059	9,740	12,348	
Due from other funds	-	-	15,000	-	80,000	95,000	365,207	
Due from other governmental units	23,005	-	-	179,893	-	202,898	63,710	
Due from component unit	35,000	-	36,764	-	-	71,764	131,764	
Other	2,081	-	-	-	-	2,081	4,203	
Total assets	<u>\$297,181</u>	<u>\$1,597,074</u>	<u>\$ 274,777</u>	<u>\$185,375</u>	<u>\$681,595</u>	<u>\$3,036,002</u>	<u>\$2,976,116</u>	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,340	
Contracts payable	38,539	-	-	163,736	-	202,275	-	
Retainage payable	9,742	-	-	16,157	-	25,899	11,999	
Compensated absences payable	-	-	-	-	-	-	12,288	
Accrued liabilities	33,155	-	-	-	-	33,155	21,301	
Due to other funds	97,479	-	-	-	-	97,479	345,637	
Due to component unit	11,780	3,190	-	-	495	15,465	3,190	
Total liabilities	<u>190,695</u>	<u>3,190</u>	<u>-</u>	<u>179,893</u>	<u>495</u>	<u>374,273</u>	<u>433,755</u>	
Fund balances -								
Reserved for debt service	-	-	-	-	440,412	440,412	434,564	
Unreserved, designated for capital expenditures	-	-	-	5,482	240,688	246,170	218,850	
Unreserved, undesignated	106,486	1,593,884	274,777	-	-	1,975,147	1,888,947	
Total fund balances	<u>106,486</u>	<u>1,593,884</u>	<u>274,777</u>	<u>5,482</u>	<u>681,100</u>	<u>2,661,729</u>	<u>2,542,361</u>	
Total liabilities and fund balances	<u>\$297,181</u>	<u>\$1,597,074</u>	<u>\$ 274,777</u>	<u>\$185,375</u>	<u>\$681,595</u>	<u>\$3,036,002</u>	<u>\$2,976,116</u>	

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

CITY OF CARENCRO, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
November 30, 2003

Total fund balances for governmental funds at November 30, 2003			\$ 2,661,729
Total net assets reported for governmental activities in the statement of net assets is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land and construction in progress		\$1,031,082	
Buildings and improvements, net of \$584,266 accumulated depreciation		1,361,753	
Infrastructure, net of \$878,366 accumulated depreciation		1,903,310	
Equipment, furniture, and fixtures net of \$795,348 accumulated depreciation		<u>674,293</u>	4,970,438
Long-term liabilities at November 20, 2003:			
Bonds payable		(2,840,000)	
Compensated absences payable		(21,312)	
Accrued interest payable		<u>(22,248)</u>	<u>(2,883,560)</u>
Total net assets of governmental activities at November 30, 2003			<u>\$ 4,748,607</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds

For the Year Ended November 30, 2003
With Comparative Totals for the Year Ended November 30, 2002

	Governmental Funds				Totals		
	General	1967 Sales Tax Special Revenue	1993 Sales Tax Special Revenue	LCDBG Construction Fund	Other Governmental Funds	2003	2002
Revenues:							
Taxes	\$ 273,501	\$ 759,089	\$ 759,116	\$ -	\$ -	\$ 1,791,706	\$ 1,566,632
Licenses and permits	179,199	-	-	-	-	179,199	176,791
Intergovernmental	196,204	-	-	366,324	-	562,528	221,645
Fines and forfeits	73,776	-	-	-	-	73,776	41,501
Miscellaneous	5,776	70,033	1,456	-	3,524	80,789	119,908
Total revenues	728,456	829,122	760,572	366,324	3,524	2,687,998	2,126,477
Expenditures:							
Current -							
General government	372,356	20,175	13,036	-	-	405,567	400,060
Administrative	39,636	-	-	-	-	39,636	29,345
Code department							
Public safety:							
Police	593,734	-	-	-	-	593,734	534,304
Fire	123,629	-	-	-	-	123,629	92,526
Highways and streets	244,212	-	-	-	-	244,212	262,598
Culture and tourism	59,396	-	-	-	-	59,396	19,933
Capital outlay	385,554	-	-	400,542	-	786,096	165,446
Debt service -							
Principal retirement	-	-	-	-	120,000	120,000	115,000
Interest and fiscal charges	-	-	-	-	138,605	138,605	145,098
Total expenditures	1,818,517	20,175	13,036	400,542	258,605	2,510,875	1,764,310
Excess (deficiency) of revenues over expenditures	(1,090,061)	808,947	747,536	(34,218)	(255,081)	177,123	362,167
Other financing sources (uses):							
Transfers in	1,020,000	-	-	39,700	209,550	1,269,250	1,077,399
Transfers out	(20,000)	(609,550)	(539,700)	-	-	(1,169,250)	(936,734)
Transfers in (out) - component unit	19,816	-	(250,788)	-	73,217	(157,755)	(145,815)
Total other financing sources (uses)	1,019,816	(609,550)	(790,488)	39,700	282,767	(57,755)	(5,150)
Net changes in fund balances	(70,245)	199,397	(42,952)	5,482	27,686	119,368	357,017
Fund balances beginning	176,731	1,394,487	317,729	-	653,414	2,542,361	2,185,344
Fund balances, ending	\$ 106,486	\$ 1,593,884	\$ 274,777	\$ 5,482	\$ 681,100	\$ 2,661,729	\$ 2,542,361

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

CITY OF CARENCRO, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended November 30, 2003

Total net changes in fund balances at November 30, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 119,368
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 736,096	
Depreciation expense for the year ended November 30, 2003	<u>(216,293)</u>	519,803
Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the state- ment of net assets		
		120,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		
		1,307
Excess of compensated absences used over compensated absences earned		
		<u>2,675</u>
Total changes in net assets at November 30, 2003 per Statement of Activities		<u>\$ 763,153</u>

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

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Net Assets
Proprietary Fund
November 30, 2003 and 2002

	<u>Enterprise Fund</u>	
	<u>2003</u>	<u>2002</u>
ASSETS		
Current assets:		
Cash	\$ 124,450	\$ 318,980
Interest-bearing deposits	297,303	521,938
Investments, at cost	1,866,511	1,722,233
Receivables:		
Accounts	191,209	176,329
Unbilled utility receivables	110,725	111,036
Due from other funds	17,479	-
Due from other governmental units	228,803	-
Accrued interest	10,281	18,018
Prepaid items	34,118	15,319
Total current assets	<u>2,880,879</u>	<u>2,883,853</u>
Noncurrent assets:		
Restricted assets:		
Customers' deposits -		
Investments, at cost	192,566	178,697
Capital assets, net of accumulated depreciation	<u>6,845,408</u>	<u>6,489,933</u>
Total noncurrent assets	<u>7,037,974</u>	<u>6,668,630</u>
Total assets	<u>9,918,853</u>	<u>9,552,483</u>
LIABILITIES		
Current liabilities:		
Accounts payable	-	83,696
Contracts payable	111,049	78,743
Retainage payable	27,629	-
Accrued liabilities	45,477	41,959
Due to other funds	15,000	19,570
Payable from restricted assets -		
Customers' deposits	<u>192,566</u>	<u>178,697</u>
Total current liabilities	391,721	402,665
Noncurrent liabilities:		
Compensated absences payable	<u>18,935</u>	<u>42,553</u>
Total liabilities	<u>410,656</u>	<u>445,218</u>
NET ASSETS		
Invested in capital assets, net of related debt	6,845,408	6,489,933
Unrestricted	<u>2,662,789</u>	<u>2,617,332</u>
Total net assets	<u>\$9,508,197</u>	<u>\$9,107,265</u>

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

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets -
 Proprietary Fund
 For the Years Ended November 30, 2003 and 2002

	Enterprise Fund	
	2003	2002
Operating revenues:		
Charges for services -		
Gas charges	\$ 742,673	\$ 714,387
Water service charges	432,568	433,894
Sewer service charges	375,136	387,849
Garbage collection	309,571	311,029
Penalties, permits and connection fees	31,115	32,085
Miscellaneous	9,866	502
Total operating revenues	1,900,929	1,879,746
Operating expenses:		
Salaries	310,170	346,649
Payroll taxes	29,870	23,293
Group insurance	27,173	11,144
Retirement contribution	11,250	11,250
Gas purchased	308,185	223,327
Maintenance and supplies	244,920	292,092
Cathodic protection survey	5,744	4,970
Garbage collection fees	260,771	258,055
Depreciation expense	374,108	382,599
Utilities	123,651	106,945
Telephone	6,250	7,720
Truck operation	31,930	29,700
Office supplies and postage	31,324	8,171
Bad debts	-	5,675
Insurance	52,863	74,696
Miscellaneous	9,707	4,689
Professional fees	27,815	19,315
Uniforms	4,715	2,127
Engineering fees	4,542	8,454
Travel	2,106	1,447
Contractual services	73,610	59,658
Meter reader expense	28,148	9,333
Total operating expenses	1,968,852	1,891,309
Operating loss	(67,923)	(11,563)

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Fund (continued)
 For the Years Ended November 30, 2003 and 2002

	<u>Enterprise Fund</u>	
	<u>2003</u>	<u>2002</u>
Nonoperating revenues (expenses):		
Interest income	<u>86,934</u>	<u>120,647</u>
Income before contributions and transfers	<u>19,011</u>	<u>109,084</u>
Capital contributions	<u>481,921</u>	<u>-</u>
Transfers in (out):		
Transfer from 1993 Sales Tax Fund	100,000	60,000
Transfer to General Fund	<u>(200,000)</u>	<u>(200,665)</u>
Total transfers in (out)	<u>(100,000)</u>	<u>(140,665)</u>
Change in net assets	400,932	(31,581)
Net assets, beginning	<u>9,107,265</u>	<u>9,138,846</u>
Net assets, ending	<u>\$9,508,197</u>	<u>\$9,107,265</u>

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

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund
 For the Years Ended November 30, 2003 and 2002

	<u>Enterprise Fund</u>	
	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,911,643	\$ 1,944,965
Payments to suppliers	(1,385,275)	(1,137,689)
Payments to employees	(367,213)	(381,086)
Other receipts	9,866	502
Net cash provided by operating activities	<u>169,021</u>	<u>426,692</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	-	200,779
Cash paid to other funds	(22,049)	(409,125)
Transfers from other funds	100,000	60,000
Transfers to other funds	(200,000)	(200,665)
Net cash used by noncapital financing activities	<u>(122,049)</u>	<u>(349,011)</u>
Cash flows from capital and related financing activities:		
Proceeds from meter deposits	28,500	29,033
Refund of meter deposits	(14,631)	(13,199)
Proceeds from federal grant	253,118	-
Acquisition of property, plant and equipment	(669,648)	(29,985)
Net cash used by capital and related financing activities	<u>(402,661)</u>	<u>(14,151)</u>
Cash flows from investing activities:		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	2,646,853	1,527,250
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(2,705,000)	(1,644,000)
Interest on investments	94,671	120,266
Net cash provided by investing activities	<u>36,524</u>	<u>3,516</u>
Net increase (decrease) in cash and cash equivalents	(319,165)	67,046
Cash and cash equivalents, beginning of period	<u>740,918</u>	<u>673,872</u>
Cash and cash equivalents, end of period	<u>\$ 421,753</u>	<u>\$ 740,918</u>

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund (continued)
 For the Years Ended November 30, 2003 and 2002

	<u>Enterprise Fund</u>	
	<u>2003</u>	<u>2002</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (67,923)	\$ (11,563)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	374,108	382,599
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(14,880)	12,641
Decrease in unbilled utility receivables	311	4,011
(Increase) decrease in prepaid items	(18,799)	1,731
Increase (decrease) in accounts payable	(83,696)	18,993
Increase (decrease) in accrued liabilities	3,518	(2,724)
Increase (decrease) in compensated absences payable	<u>(23,618)</u>	<u>21,004</u>
Net cash provided by operating activities	<u>\$ 169,021</u>	<u>\$ 426,692</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 318,980	\$ 191,051
Interest-bearing deposits - unrestricted	521,938	582,821
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(100,000)</u>	<u>(100,000)</u>
Total cash and cash equivalents	<u>740,918</u>	<u>673,872</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	\$ 124,450	\$ 318,980
Interest-bearing deposits - unrestricted	297,303	521,938
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>-</u>	<u>(100,000)</u>
Total cash and cash equivalents	<u>421,753</u>	<u>740,918</u>
Net increase (decrease)	<u>\$ (319,165)</u>	<u>\$ 67,046</u>

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Carencro (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Carencro for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - (a) The ability of the municipality to impose its will on that organization and/or
 - (b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The following component unit is not presented in the accompanying financial statements:

Parks and Recreation Commission of Carencro, Inc.

The Parks and Recreation Commission of Carencro, Inc. was determined to be a component unit but is not presented in the accompanying financial statements. The Parks and Recreation Commission of Carencro, Inc., (Commission) is a non-profit corporation established in 1993 for the purpose of maintaining and operating recreational facilities for the general purpose of the City. The members of the governing board of the Commission consist of seven (7) trustees. Of the seven (7) trustees, four (4) must be appointed by the City Council, one (1) must be appointed by the Mayor of the City and two (2) may be appointed by the Commission with the authority reverting to the City Council in the event the Commission appoints no one. The Commission's operational and capital budgets are subject to the approval of the City. Bonded debt issued by the Parks and Recreation Commission must be approved by the City Council.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Parks and Recreation Commission of Carencro, Inc., P.O. Drawer 10, Carencro, LA 70520).

These primary government financial statements of the City of Carencro do not include the financial data of the component unit described above. This component unit financial data is necessary for reporting in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Fund Financial Statements

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

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

- 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 City are described below:

Governmental Funds:

General Fund

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

Special Revenue Funds -

1967 Sales Tax Fund

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

1993 Sales Tax Fund

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Capital Projects Fund -

LCDBG Construction Fund

The LCDBG Construction Fund is used to account for the administration of grant funds received from the State of Louisiana Division of Administration for a municipal community center.

Proprietary Fund:

Enterprise Fund

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

- 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 assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

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

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

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 or short-term investments with an original maturity of three months or less.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Interfund receivables and payables

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at November 30, 2003. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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 assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the general obligation bonds payable, utility meter deposits payable, and compensated absences payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements

Compensated Absences

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated or unused sick and vacation leave.

At November 30, 2003, employees of the City have accumulated and vested \$40,247 compensated absence benefits. The estimated liabilities include required salary-related payments.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 2
Gas, water and sewer revenue	Debt service and utility operations

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

G. Budget and Budgetary Accounting

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

1. Prior to November 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following December 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. 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.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the City of Carencro to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At November 30, 2003, 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. Report Classification

Certain previously reported amounts for the year ended November 30, 2002 have been reclassified to conform to the November 30, 2003 classifications.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(2) Sales and Use Tax

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro (2003 collections \$759,089; 2002 \$661,116) are dedicated to the following purposes:

Paying principal and interest on any bonded debt or funded indebtedness of the City; constructing, acquiring, extending, improving and/or maintaining sewers, waterworks and natural gas utilities, streets, sidewalks and bridges, street lighting facilities, drainage facilities, fire and police department stations and equipment, garbage disposal and sanitation equipment and facilities, public buildings, public parks and recreational facilities, public works equipment and furnishings or for any one or more of said purposes.

Proceeds of the 1993 1% sales and use tax (2003 collections \$759,116; 2002 \$661,144) are dedicated to the following purposes:

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

(3) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At November 30, 2003, the City had cash and interest-bearing deposits (book balances) totaling \$1,794,286 as follows:

Demand deposits	\$ 378,541
Money market accounts	1,006,674
Time deposits	<u>409,071</u>
Total	<u>\$ 1,794,286</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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) at November 30, 2003 were secured as follows:

Bank balances	<u>\$2,362,807</u>
Federal deposit insurance	\$ 539,165
Pledged securities (Category 3)	<u>1,823,642</u>
Total FDIC insurance and pledged securities	<u>\$2,362,807</u>

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

B. Investments

The City can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The City's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name. All of the City's investments, with the exception of LAMP, which is not categorized, are classified as Category 1.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments that fall within the definitions of said statement be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2-a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2-a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The carrying amounts and approximate market values of investments at November 30, 2003 are summarized as follows:

Fund	Description	Interest Rate	Reported Amount	Unrealized Losses	Fair Value
Special Revenue:					
1967 Sales Tax Fund	U.S. Treasury Notes and Securities	3.00% - 6.08%	\$1,088,977	\$(13,328)	\$1,075,649
Enterprise:					
Utility Fund	U.S. Treasury Notes and Securities	2.75% - 6.08%	1,946,526	(17,021)	\$1,929,505
	LAMP	Variable	112,551	-	112,551
Capital Projects:					
Sidewalk Construction	LAMP	Variable	55,099	-	55,099
			<u>\$3,203,153</u>	<u>\$(30,349)</u>	<u>\$3,172,804</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(4) Receivables

Receivables at November 30, 2003 of \$461,946 consist of the following:

	<u>General</u>	<u>1967 Sales Tax</u>	<u>1993 Sales Tax</u>	<u>Other Governmental</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$191,209	\$191,209
Unbilled utility	-	-	-	-	110,725	110,725
Franchise tax	5,561	-	-	-	-	5,561
Sales tax	-	66,173	66,176	-	-	132,349
Interest	624	8,057	-	1,059	10,281	20,021
Other	<u>2,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,081</u>
Totals	<u>\$ 8,266</u>	<u>\$74,230</u>	<u>\$66,176</u>	<u>\$1,059</u>	<u>\$312,215</u>	<u>\$461,946</u>

(5) Due from Other Governmental Units

Amounts due from other governmental units of \$431,701 at November 30, 2003 consisted of the following:

General Fund:

Amount due from the U. S. Department of Housing and Urban Development for reimbursement for expenditures incurred for the year ended November 30, 2003 for the municipal community center. \$179,893

Amount due from the State of Louisiana Department of Transportation and Development for reimbursement for expenditures incurred for the year ended November 30, 2003 for a walking trail 18,072

Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending November 30, 2003 4,933

202,898

Utility Fund:

Amount due from the State of Louisiana Department of Transportation and Development for reimbursement for expenditures incurred for the year ended November 30, 2003 for a gas and water utilities relocation project. 228,803

\$431,701

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2003:

Customers' deposits \$192,566

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended November 30, 2003 was as follows:

	<u>Balance 12/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 11/30/03</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 378,595	\$ 112,352	\$ -	\$ 490,947
Construction in progress	7,158	532,977	-	540,135
Other capital assets:				
Buildings	1,946,019	-	-	1,946,019
Infrastructure	2,783,816	-	2,140	2,781,676
Equipment, furniture and fixtures	431,403	26,616	-	458,019
Vehicles	947,471	64,151	-	1,011,622
Totals	<u>6,494,462</u>	<u>736,096</u>	<u>2,140</u>	<u>7,228,418</u>
Less accumulated depreciation				
Buildings	538,687	45,579	-	584,266
Infrastructure	811,579	68,927	2,140	878,366
Equipment, furniture and fixtures	273,982	24,435	-	298,417
Vehicles	419,579	77,352	-	496,931
Total accumulated depreciation	<u>2,043,827</u>	<u>216,293</u>	<u>2,140</u>	<u>2,257,980</u>
Governmental activities, capital assets, net	<u>\$ 4,450,635</u>	<u>\$ 519,803</u>	<u>\$ -</u>	<u>\$ 4,970,438</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 115,848	\$ -	\$ -	\$ 115,848
Construction in progress	46,951	633,752	32,298	648,405
Other capital assets:				
Gas system	1,051,333	9,177	-	1,060,510
Water system	3,816,641	-	-	3,816,641
Sewer system	6,971,659	24,881	-	6,996,540
Machinery and equipment	459,086	94,071	-	553,157
Totals	<u>12,461,518</u>	<u>761,881</u>	<u>32,298</u>	<u>13,191,101</u>
Less accumulated depreciation				
Gas system	735,976	23,386	-	759,362
Water system	2,398,619	101,524	-	2,500,143
Sewer system	2,468,774	219,207	-	2,687,981
Machinery and equipment	368,216	29,991	-	398,207
Total accumulated depreciation	<u>5,971,585</u>	<u>374,108</u>	<u>-</u>	<u>6,345,693</u>
Business-type activities, capital assets, net	<u>\$ 6,489,933</u>	<u>\$ 387,773</u>	<u>\$ 32,298</u>	<u>\$ 6,845,408</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 39,051
Police	39,784
Fire	67,357
Highways and streets	69,357
Culture and recreation	<u>744</u>
Total depreciation expense	<u>\$ 216,293</u>

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

Gas	\$ 38,981
Water	107,822
Sewer	221,906
Sanitation	<u>5,399</u>
Total depreciation expense	<u>\$374,108</u>

Construction in progress of \$540,135 in the governmental activities includes \$112,753 of costs incurred through November 30, 2003 on a walking trail project and \$400,541 of costs incurred on the municipal community center. Construction in progress in the business-type activities of \$648,405 consists mainly of costs incurred through November 30, 2003 on the Bernard Street utilities relocation project.

(8) Accounts and Other Payables

The accounts and other payables consisted of the following at November 30, 2003:

	Governmental Activities	Business-type Activities	Total
Contracts	\$ 202,275	\$111,049	\$313,324
Retainage	25,899	27,629	53,528
Accrued liabilities	<u>33,155</u>	<u>45,477</u>	<u>78,632</u>
Totals	<u>\$ 261,329</u>	<u>\$184,155</u>	<u>\$445,484</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended November 30, 2003:

	Governmental Activities
Long-term bonds payable, December 1, 2002	\$ 2,960,000
Long-term bonds issued	-
Long-term bonds retired	<u>(120,000)</u>
Long-term bonds payable, November 30, 2003	<u>\$ 2,840,000</u>

CITY OF CARENCRO, LOUISIANA
Notes to Financial Statements (Continued)

Long-term debt payable at November 30, 2003 is comprised of the following individual issues:

General obligation bonds -

\$810,000 Public Improvement Sales Tax Bonds Series 1995, due in annual installments of \$35,000 to \$80,000 through April 1, 2015; interest at 5.45 percent to 7.0 percent; payable from 1993 sales tax revenues	\$ 665,000
\$2,500,000 Public Improvement Sales Tax Bonds, Series 1998, due in annual installments of \$95,000 to \$265,000 through April 1, 2018; interest at 3.9 percent to 7.0 percent; payable from 1993 sales tax revenues	<u>2,175,000</u>
	<u>\$ 2,840,000</u>

The bonds are due as follows:

Year ending November 30,	<u>Governmental Activities</u>	
	Principal payments	Interest payments
2004	\$ 130,000	\$ 129,209
2005	135,000	120,505
2006	140,000	112,280
2007	150,000	105,173
2008	160,000	98,308
2009-2013	925,000	373,868
2014-2018	<u>1,200,000</u>	<u>134,215</u>
Total	<u>\$2,840,000</u>	<u>\$1,073,558</u>

The compensated absences payable of \$40,247 is considered to be long-term since it will not be paid within the current year. Of that amount, \$21,312 is applicable to governmental activities and \$18,935 is applicable to business-type activities.

(10) Retirement Commitments

All employees of the City of Carencro are members of the Federal Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City; 7.65% by the employee). The City's contribution during the years ended November 30, 2003, 2002, and 2001 amounted to \$62,266, \$55,725, and \$55,395, respectively.

CITY OF CARENCRO, LOUISIANA
Notes to Financial Statements (Continued)

(11) Pension Plan

As of December 1, 1992, the City of Carencro established a defined contribution pension plan. Substantially all employees become eligible to participate in the plan after completing one year of employment. Each year, the City will determine the amount, if any, to contribute to the plan. The contribution is discretionary and will only be made from the current or accumulated surplus of the City. The current year's covered payroll was \$697,480 and the City contributed \$25,000 or approximately 3.6 percent of the covered payroll. The total payroll for all employees was \$778,872 for the year ended November 30, 2003.

(12) Litigation and Claims

At November 30, 2003, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

(13) Natural Gas Contract

Under contract dated May 1, 1989, the City of Carencro is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority for an initial term of three (3) years and shall continue thereafter from year to year unless written notice to the contrary is given by either party to the other at least six (6) months prior to the expiration of the initial term or any renewal thereof. During the fiscal year ended November 30, 2003, the City's natural gas purchases amounted to \$308,185, of which \$29,058 was owed for purchases for the month of November 2003.

(14) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(15) Lease of Enterprise Center of Louisiana

On March 21, 1994, a lease agreement was signed by the City and Enterprise Center of Louisiana. The initial term of the lease is seven (7) years with a monthly rental of \$100. Upon expiration of the lease, the lessee will have the option to renew for ten (10) additional five (5) year terms with a monthly rental of \$100. The rental income is included in the General Fund as miscellaneous revenues.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(16) Segment Information for the Enterprise Fund

The City of Carencro maintains one enterprise fund with three departments, which provide gas, water, sewerage, and sanitation services. Segment information for the year ended November 30, 2003, was as follows:

	<u>Gas</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewerage</u> <u>Department</u>	<u>Sanitation</u> <u>Department</u>	<u>Total</u> <u>Enterprise</u> <u>Fund</u>
Operating revenues	<u>\$755,465</u>	<u>\$449,479</u>	<u>\$ 381,232</u>	<u>\$ 314,753</u>	<u>\$1,900,929</u>
Operating expenses:					
Depreciation	38,981	107,822	221,906	5,399	374,108
Other	<u>641,215</u>	<u>376,556</u>	<u>267,491</u>	<u>309,482</u>	<u>1,594,744</u>
Total operating expenses	<u>680,196</u>	<u>484,378</u>	<u>489,397</u>	<u>314,881</u>	<u>1,968,852</u>
Operating income (loss)	<u>\$ 75,269</u>	<u>\$ (34,899)</u>	<u>\$(108,165)</u>	<u>\$ (128)</u>	<u>\$ (67,923)</u>

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended November 30, 2003 follows:

Glenn Brasseaux, Mayor (January 1, 2003 - November 1, 2003)	\$11,000
Tommy Angelle, Mayor (December 1, 2002 - December 31, 2002)	1,000
Aldermen:	
Antoine Babineaux, Jr.	2,400
Bobby Badon	2,200
Glenn Brasseaux	200
Allen Conque	2,950
Steven Conques	200
Kim Guidry	2,200
Charlotte Hales	250
J.L. Richard	<u>2,000</u>
	<u>\$24,400</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(18) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2003:

Due to the Utility Fund from the General Fund representing short-term loans	\$ 17,479
Due to the 1993 Sales Tax Fund from the Utility Fund representing short-term loans	15,000
Due to the Sidewalk Construction Fund from the General Fund for sidewalk construction project	<u>80,000</u>
Total	<u>\$ 112,479</u>

Summary of balances due to/from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 95,000
Due from other funds, Statement of Net Assets - Proprietary Funds	17,479
Due to other funds, Balance Sheet - Governmental Funds	(97,479)
Due to other funds, Statement of Net Assets - Proprietary Funds	<u>(15,000)</u>
Total	<u>\$ -</u>

B. Transfers consisted of the following at November 30, 2003:

	Operating Transfers In	Operating Transfers Out
Governmental Funds:		
Major funds:		
General Fund	\$1,020,000	\$ 20,000
1967 Sales Tax Special Revenue Fund	-	609,550
1993 Sales Tax Special Revenue Fund	-	539,700
LCDBG Construction Fund	39,700	-
Non-major governmental funds	209,550	-
Proprietary Fund:		
Enterprise Fund	<u>100,000</u>	<u>200,000</u>
Total	<u>\$1,369,250</u>	<u>\$ 1,369,250</u>

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 249,000	\$ 244,830	\$ 273,501	\$ 28,671	\$ 244,372
Licenses and permits	164,000	176,530	179,199	2,669	176,791
Intergovernmental	173,200	198,204	196,204	(2,000)	221,645
Fines and forfeits	47,500	80,000	73,776	(6,224)	41,501
Miscellaneous	3,500	14,253	5,776	(8,477)	33,008
Total revenues	<u>637,200</u>	<u>713,817</u>	<u>728,456</u>	<u>14,639</u>	<u>717,317</u>
Expenditures:					
Current:					
General government:					
Administrative	328,175	379,912	372,356	7,556	379,730
Code department	34,202	41,972	39,636	2,336	29,345
Public safety:					
Police	553,000	592,899	593,734	(835)	534,304
Fire	105,509	119,442	123,629	(4,187)	92,526
Highways and streets	204,732	227,384	244,212	(16,828)	262,598
Culture and tourism	22,550	62,126	59,396	2,730	19,933
Capital outlay	165,000	367,683	385,554	(17,871)	165,446
Total expenditures	<u>1,413,168</u>	<u>1,791,418</u>	<u>1,818,517</u>	<u>(27,099)</u>	<u>1,483,882</u>
Deficiency of revenues over expenditures	<u>(775,968)</u>	<u>(1,077,601)</u>	<u>(1,090,061)</u>	<u>(12,460)</u>	<u>(766,565)</u>
Other financing sources (uses):					
Transfers from -					
Utility Fund	-	200,000	200,000	-	200,665
1967 Sales Tax Fund	420,000	420,000	420,000	-	270,000
1993 Sales Tax Fund	380,000	400,000	400,000	-	390,000
Transfers to -					
Sidewalk Construction fund	(20,000)	(20,000)	(20,000)	-	(20,000)
Transfer from component unit	-	12,000	19,816	7,816	-
Total other financing sources (uses)	<u>780,000</u>	<u>1,012,000</u>	<u>1,019,816</u>	<u>7,816</u>	<u>840,665</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,032	(65,601)	(70,245)	(4,644)	74,100
Fund balance, beginning	<u>176,731</u>	<u>176,731</u>	<u>176,731</u>	<u>-</u>	<u>102,631</u>
Fund balance, ending	<u>\$ 180,763</u>	<u>\$ 111,130</u>	<u>\$ 106,486</u>	<u>\$ (4,644)</u>	<u>\$ 176,731</u>

CITY OF CARENCRO, LOUISIANA
1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 665,000	\$ 705,000	\$ 759,089	\$ 54,089	\$ 661,116
Miscellaneous - interest	40,000	73,623	70,033	(3,590)	76,259
Total revenues	705,000	778,623	829,122	50,499	737,375
Expenditures:					
Current:					
General government	13,000	19,300	20,175	(875)	17,165
Excess of revenues over expenditures	692,000	759,323	808,947	49,624	720,210
Other financing uses:					
Transfers out	(600,000)	(600,000)	(609,550)	(9,550)	(458,833)
Excess of revenues over expenditures and other uses	92,000	159,323	199,397	40,074	261,377
Fund balances, beginning	1,394,487	1,394,487	1,394,487	-	1,133,110
Fund balances, ending	<u>\$1,486,487</u>	<u>\$1,553,810</u>	<u>\$1,593,884</u>	<u>\$ 40,074</u>	<u>\$1,394,487</u>

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 665,000	\$ 705,000	\$ 759,116	\$ 54,116	\$ 661,144
Miscellaneous	2,500	1,500	1,456	(44)	2,164
Total revenues	667,500	706,500	760,572	54,072	663,308
Expenditures:					
Current:					
General government	7,500	13,855	13,036	819	3,165
Excess of revenues over expenditures	660,000	692,645	747,536	54,891	660,143
Other financing uses:					
Transfers to other funds	(380,000)	(539,700)	(539,700)	-	(450,000)
Transfer to component unit	(220,000)	(230,000)	(250,788)	(20,788)	(219,156)
Total transfers out	(600,000)	(769,700)	(790,488)	(20,788)	(669,156)
Excess (deficiency) of revenues and other sources over expenditures and other uses	60,000	(77,055)	(42,952)	34,103	(9,013)
Fund balances, beginning	317,729	317,729	317,729	-	326,742
Fund balances, ending	<u>\$ 377,729</u>	<u>\$ 240,674</u>	<u>\$ 274,777</u>	<u>\$ 34,103</u>	<u>\$ 317,729</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Franchise -					
Electric	\$ 240,000	\$ 235,000	\$ 265,308	\$ 30,308	\$ 235,684
Cable TV and gas	9,000	9,830	8,193	(1,637)	8,688
Total taxes	<u>249,000</u>	<u>244,830</u>	<u>273,501</u>	<u>28,671</u>	<u>244,372</u>
Licenses and permits:					
Occupational licenses	140,000	145,575	147,194	1,619	146,467
Code department permits	24,000	30,955	32,005	1,050	30,324
Total licenses and permits	<u>164,000</u>	<u>176,530</u>	<u>179,199</u>	<u>2,669</u>	<u>176,791</u>
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt. Assistance	-	7,000	7,121	121	52,296
Walking trails grant	-	48,000	48,000	-	-
State of Louisiana -					
Beer taxes	14,000	17,882	17,206	(676)	13,275
Racing commission	4,000	4,081	1,345	(2,736)	3,344
Off track betting fees	34,000	27,023	28,537	1,514	33,557
Emergency Management Assistance	-	3,000	2,629	(371)	-
Police equipment grants	58,000	13,170	13,318	148	55,973
Lafayette Parish Government -					
Two percent fire insurance refund	33,200	39,048	39,048	-	33,200
Proceeds for fire department	30,000	39,000	39,000	-	30,000
Total intergovernmental	<u>173,200</u>	<u>198,204</u>	<u>196,204</u>	<u>(2,000)</u>	<u>221,645</u>
Fines and forfeits:					
Fines and court costs	42,000	74,500	73,359	(1,141)	36,803
Police special detail and accident reports	5,500	5,500	417	(5,083)	4,698
Total fines, forfeits, etc.	<u>47,500</u>	<u>80,000</u>	<u>73,776</u>	<u>(6,224)</u>	<u>41,501</u>
Miscellaneous:					
Interest	300	195	809	614	269
ECOL rent	1,200	1,200	1,200	-	800
Sale of assets	-	-	-	-	4,152
Insurance refund	-	-	-	-	26,088
Other sources	2,000	12,858	3,767	(9,091)	1,699
Total miscellaneous	<u>3,500</u>	<u>14,253</u>	<u>5,776</u>	<u>(8,477)</u>	<u>33,008</u>
Total revenues	<u><u>\$ 637,200</u></u>	<u><u>\$ 713,817</u></u>	<u><u>\$ 728,456</u></u>	<u><u>\$ 14,639</u></u>	<u><u>\$ 717,317</u></u>

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
Administrative -					
Mayor and council salaries	\$ 24,600	\$ 24,600	\$ 24,400	\$ 200	\$ 24,600
Other salaries and wages	41,200	41,200	41,200	-	27,436
Retirement	13,750	13,750	13,750	-	13,750
Group insurance	4,800	2,200	2,661	(461)	439
Insurance	17,500	15,240	14,537	703	16,336
Payroll taxes	4,475	4,598	4,177	421	3,036
Office	14,000	51,160	51,318	(158)	23,732
Advertisements and recordings	12,300	14,300	14,456	(156)	16,723
Dues	1,500	1,548	2,492	(944)	2,576
City planner	36,000	10,736	10,088	648	60,478
Computer consultant	7,000	7,000	6,693	307	6,307
Legal fees	54,000	51,853	47,748	4,105	83,462
Accounting and auditing	22,000	29,635	29,290	345	19,935
Miscellaneous	-	9,732	9,979	(247)	4,051
Travel and conferences	10,700	9,895	10,628	(733)	11,314
Auto allowance	10,200	10,200	10,200	-	6,000
Utilities and telephone	12,500	11,524	10,663	861	11,861
Rent	8,400	8,400	8,400	-	8,400
Repairs and maintenance	6,500	11,823	12,529	(706)	22,770
City magistrate	6,000	15,000	14,982	18	-
Engineering	12,000	18,728	17,488	1,240	6,168
Senior citizens' compensation	6,100	6,275	5,805	470	7,753
Transportation program - bus service	-	3,460	1,932	1,528	-
Uniforms	2,650	7,055	6,940	115	2,603
Total administrative	<u>328,175</u>	<u>379,912</u>	<u>372,356</u>	<u>7,556</u>	<u>379,730</u>
Code department -					
Salaries	19,027	25,000	21,890	3,110	16,699
Inspection fees	7,800	10,656	10,815	(159)	8,280
Insurance	300	300	231	69	338
Group insurance	2,400	2,400	2,903	(503)	996
Payroll taxes	1,475	1,675	1,661	14	1,458
Utilities and telephone	900	751	756	(5)	809
Miscellaneous	2,300	1,190	1,380	(190)	765
Total code department	<u>34,202</u>	<u>41,972</u>	<u>39,636</u>	<u>2,336</u>	<u>29,345</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Public safety:					
Police -					
Salaries	278,100	284,763	284,760	3	278,636
Payroll taxes	21,500	24,823	25,536	(713)	22,051
Maintenance	5,400	4,864	3,803	1,061	5,894
Utilities and telephone	19,200	17,073	17,651	(578)	17,018
Insurance	75,000	62,000	61,317	683	86,413
Auto	53,000	65,079	65,582	(503)	-
Gas and repairs	6,000	6,000	6,000	-	57,062
Legal fees	15,000	29,600	29,881	(281)	12,193
Miscellaneous	1,000	1,734	1,363	371	1,469
Supplies	18,000	27,922	26,553	1,369	16,363
Office supplies	-	12,000	12,297	(297)	-
Radio user fees	6,700	6,854	6,685	169	5,955
Uniforms	5,500	5,456	6,210	(754)	5,445
Training	7,400	6,274	5,885	389	6,911
Drug task force expenditures	2,700	4,347	3,813	534	2,205
Drug testing	1,000	505	505	-	791
Group insurance	32,000	29,130	30,393	(1,263)	12,549
Expenditures from police special account	5,500	4,475	5,500	(1,025)	3,349
Total police department	<u>553,000</u>	<u>592,899</u>	<u>593,734</u>	<u>(835)</u>	<u>534,304</u>
Fire department -					
Salaries	27,409	27,780	28,309	(529)	23,866
Payroll taxes	2,350	2,200	2,285	(85)	1,870
Group insurance	2,400	2,400	2,903	(503)	996
Utilities and telephone	7,000	11,277	11,168	109	9,430
Insurance	18,500	16,862	16,104	758	24,623
Equipment expenditures	1,000	5,475	5,879	(404)	881
Miscellaneous	750	2,150	2,083	67	533
Maintenance and supplies	15,000	24,400	26,776	(2,376)	9,142
Auto	25,000	20,000	19,037	963	11,888
Training	1,500	2,000	1,910	90	1,438
Radio user fees	2,600	2,600	3,180	(580)	2,680
Uniforms	2,000	2,298	3,995	(1,697)	5,179
Total fire department	<u>105,509</u>	<u>119,442</u>	<u>123,629</u>	<u>(4,187)</u>	<u>92,526</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Highways and streets:					
Salaries	47,762	69,082	68,143	939	47,229
Payroll taxes	3,670	5,350	5,250	100	4,017
Maintenance and supplies	14,500	16,800	26,802	(10,002)	23,640
Lighting	72,000	70,000	72,078	(2,078)	69,318
Group insurance	10,400	4,000	4,838	(838)	3,482
Dumping fees	2,200	1,964	1,190	774	2,970
Insurance	16,000	7,188	7,093	95	16,512
Inmate labor	36,000	31,000	31,420	(420)	24,632
Miscellaneous	2,200	1,000	780	220	5,777
Auto	-	11,000	12,675	(1,675)	-
Consulting	-	10,000	10,770	(770)	-
Engineering	-	-	3,173	(3,173)	-
Hurricane cleanup	-	-	-	-	65,021
Total highways and streets	<u>204,732</u>	<u>227,384</u>	<u>244,212</u>	<u>(16,828)</u>	<u>262,598</u>
Culture and tourism -					
Main street project, parades, and events, Congres Mondial, etc.	6,000	8,000	4,000	4,000	3,591
Economic development:					
Contracted services	15,850	13,626	15,105	(1,479)	15,624
Office supplies	700	500	319	181	718
Equipment and supplies	-	40,000	39,972	28	-
Total culture and tourism	<u>22,550</u>	<u>62,126</u>	<u>59,396</u>	<u>2,730</u>	<u>19,933</u>
Capital outlay:					
General government -					
City Hall renovations	20,000	1,000	-	1,000	46,124
Equipment	23,500	10,700	10,684	16	-
Land	-	112,352	112,352	-	-
Total general government	<u>43,500</u>	<u>124,052</u>	<u>123,036</u>	<u>1,016</u>	<u>46,124</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003		Actual	Variance with Final Budget Positive (Negative)	2002 Actual
	Budget				
	Original	Final			
Public Safety:					
Police -					
Autos	45,000	52,266	48,715	3,551	25,000
Equipment	11,500	10,898	10,407	491	-
Total police	<u>56,500</u>	<u>63,164</u>	<u>59,122</u>	<u>4,042</u>	<u>25,000</u>
Fire -					
Equipment	15,000	15,435	20,961	(5,526)	-
Highways and streets:					
Street and sidewalk repairs	-	4,000	19,682	(15,682)	7,158
Vehicle	-	-	-	-	23,384
Feasibility study - flood control	50,000	50,000	50,000	-	-
Drainage improvements	-	-	-	-	63,780
Total highways and streets	<u>50,000</u>	<u>54,000</u>	<u>69,682</u>	<u>(15,682)</u>	<u>94,322</u>
Culture and tourism:					
Walking trail	-	111,032	112,753	(1,721)	-
Total capital outlay	<u>165,000</u>	<u>367,683</u>	<u>385,554</u>	<u>(17,871)</u>	<u>165,446</u>
Total expenditures	<u>\$1,413,168</u>	<u>\$1,791,418</u>	<u>\$1,818,517</u>	<u>\$ (27,099)</u>	<u>\$1,483,882</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003		Actual	Variance with Final Budget Positive (Negative)	2002 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 665,000	\$ 705,000	\$ 759,089	\$ 54,089	\$ 661,116
Miscellaneous - interest	40,000	73,623	70,033	(3,590)	76,259
Total revenues	<u>705,000</u>	<u>778,623</u>	<u>829,122</u>	<u>50,499</u>	<u>737,375</u>
Expenditures:					
Current -					
General government -					
Collection fees	3,000	3,500	3,065	435	3,165
Professional fees	10,000	15,800	15,110	690	14,000
Office expenditures	-	-	2,000	(2,000)	14,000
Total expenditures	<u>13,000</u>	<u>19,300</u>	<u>20,175</u>	<u>(875)</u>	<u>17,165</u>
Excess of revenues over expenditures	<u>692,000</u>	<u>759,323</u>	<u>808,947</u>	<u>49,624</u>	<u>720,210</u>
Other financing uses:					
Transfers to -					
1995 Sales Tax Bond Fund	(180,000)	(180,000)	(189,550)	(9,550)	(188,833)
General Fund	<u>(420,000)</u>	<u>(420,000)</u>	<u>(420,000)</u>	<u>-</u>	<u>(270,000)</u>
Total other financing uses	<u>(600,000)</u>	<u>(600,000)</u>	<u>(609,550)</u>	<u>(9,550)</u>	<u>(458,833)</u>
Excess (deficiency) of revenues over expenditures and other uses	92,000	159,323	199,397	40,074	261,377
Fund balance, beginning	<u>1,394,487</u>	<u>1,394,487</u>	<u>1,394,487</u>	<u>-</u>	<u>1,133,110</u>
Fund balance, ending	<u>\$1,486,487</u>	<u>\$ 1,553,810</u>	<u>\$ 1,593,884</u>	<u>\$ 40,074</u>	<u>\$1,394,487</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2003
With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 665,000	\$ 705,000	\$ 759,116	\$ 54,116	\$ 661,144
Miscellaneous - interest	2,500	1,500	1,456	(44)	2,164
Total revenues	<u>667,500</u>	<u>706,500</u>	<u>760,572</u>	<u>54,072</u>	<u>663,308</u>
Expenditures:					
General government -					
Collection fees	3,000	3,500	3,065	435	3,165
Professional fees	4,500	5,000	4,855	145	-
Office and administrative	-	5,355	5,116	239	-
Total expenditures	<u>7,500</u>	<u>13,855</u>	<u>13,036</u>	<u>819</u>	<u>3,165</u>
Excess of revenues over expenditures	<u>660,000</u>	<u>692,645</u>	<u>747,536</u>	<u>54,891</u>	<u>660,143</u>
Other financing uses -					
Transfers to:					
Utility Fund	-	(100,000)	(100,000)	-	(60,000)
General Fund	(380,000)	(400,000)	(400,000)	-	(390,000)
LCDBG Construction Fund	-	(39,700)	(39,700)	-	-
Component unit	(220,000)	(230,000)	(250,788)	(20,788)	(219,156)
Total other financing sources (uses)	<u>(600,000)</u>	<u>(769,700)</u>	<u>(790,488)</u>	<u>(20,788)</u>	<u>(669,156)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	60,000	(77,055)	(42,952)	34,103	(9,013)
Fund balance, beginning	<u>317,729</u>	<u>317,729</u>	<u>317,729</u>	<u>-</u>	<u>326,742</u>
Fund balance, ending	<u>\$ 377,729</u>	<u>\$ 240,674</u>	<u>\$ 274,777</u>	<u>\$ 34,103</u>	<u>\$ 317,729</u>

CITY OF CARENCRO, LOUISIANA
 Capital Projects Fund
 LCDBG Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2003
 With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenue:					
Intergovernmental revenue - federal grant	\$600,000	\$366,324	\$366,324	\$ -	\$ -
Expenditures:					
Capital outlay -					
Construction costs - community center	<u>600,000</u>	<u>384,614</u>	<u>400,542</u>	<u>(15,928)</u>	<u>-</u>
Deficiency of revenues over expenditures	-	(18,290)	(34,218)	(15,928)	-
Other financing source:					
Transfer from 1993 Sales Tax Fund	<u>-</u>	<u>39,700</u>	<u>39,700</u>	<u>-</u>	<u>-</u>
Excess of revenues and other source over expenditures	-	21,410	5,482	(15,928)	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 21,410</u>	<u>\$ 5,482</u>	<u>\$(15,928)</u>	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
November 30, 2003
With Comparative Totals for November 30, 2002

	<u>1995</u>	<u>1998</u>	<u>Sidewalk</u>	<u>Totals</u>	
	<u>Sales Tax</u>	<u>Sales Tax</u>	<u>Construction</u>	<u>2003</u>	<u>2002</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		
ASSETS					
Cash	\$ 1	\$ -	\$ -	\$ 1	\$ 1
Interest-bearing deposits, at cost	440,906	-	159,629	600,535	536,729
Investments, at cost	-	-	-	-	14,928
Receivables:					
Due from other funds	-	-	80,000	80,000	100,000
Due from other governmental units	-	-	-	-	-
Accrued interest receivable	-	-	1,059	1,059	1,756
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$440,907</u>	<u>\$ -</u>	<u>\$ 240,688</u>	<u>\$ 681,595</u>	<u>\$653,414</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Contracts payable	\$ -	\$ -	\$ -	-	\$ -
Retainage payable	-	-	-	-	-
Due to component unit	495	-	-	495	-
Total liabilities	<u>495</u>	<u>-</u>	<u>-</u>	<u>495</u>	<u>-</u>
Fund balances:					
Reserved for debt service	440,412	-	-	440,412	434,564
Unreserved, designated for capital expenditures	-	-	240,688	240,688	218,850
Total fund balances	<u>440,412</u>	<u>-</u>	<u>240,688</u>	<u>681,100</u>	<u>653,414</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$440,907</u>	<u>\$ -</u>	<u>\$ 240,688</u>	<u>\$ 681,595</u>	<u>\$653,414</u>

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended November 30, 2003
With Comparative Totals for November 30, 2002

	1995 Sales Tax Bond Fund	1998 Sales Tax Bond Fund	Sidewalk Construction Fund	Totals	
				2003	2002
Revenues:					
Intergovernmental revenue - federal grant	\$ -	\$ -	\$ -	-	\$ -
Miscellaneous - interest	<u>1,686</u>	<u>-</u>	<u>1,838</u>	<u>3,524</u>	<u>8,477</u>
Total revenues	<u>1,686</u>	<u>-</u>	<u>1,838</u>	<u>3,524</u>	<u>8,477</u>
Expenditures:					
Debt service -					
Principal retirement	35,000	85,000	-	120,000	115,000
Interest and fiscal charges	<u>39,730</u>	<u>98,875</u>	<u>-</u>	<u>138,605</u>	<u>145,098</u>
Total expenditures	<u>74,730</u>	<u>183,875</u>	<u>-</u>	<u>258,605</u>	<u>260,098</u>
Excess (deficiency) of revenues over expenditures	<u>(73,044)</u>	<u>(183,875)</u>	<u>1,838</u>	<u>(255,081)</u>	<u>(251,621)</u>
Other financing sources (uses):					
Transfers from 1967 Sales Tax Fund	189,550	-	-	189,550	188,833
Transfers from General fund	-	-	20,000	20,000	20,000
Transfers from component unit	73,217	-	-	73,217	73,341
Transfers from (to) 1995 Sales Tax Bond Fund	-	183,875	-	183,875	-
Transfers from (to) 1998 Sales Tax Bond Fund	<u>(183,875)</u>	<u>-</u>	<u>-</u>	<u>(183,875)</u>	<u>-</u>
Total financing sources (uses)	<u>78,892</u>	<u>183,875</u>	<u>20,000</u>	<u>282,767</u>	<u>282,174</u>
Excess of revenues and other sources over expenditures and other uses	5,848	-	21,838	27,686	30,553
Fund balance, beginning	<u>434,564</u>	<u>-</u>	<u>218,850</u>	<u>653,414</u>	<u>622,861</u>
Fund balance, ending	<u>\$440,412</u>	<u>\$ -</u>	<u>\$240,688</u>	<u>\$ 681,100</u>	<u>\$653,414</u>

NONMAJOR DEBT SERVICE FUNDS

1995 Sales Tax Bond Fund -

To accumulate monies for payment of the \$875,000 Public Improvement Sales Tax Bonds, Series 1995, which are due in annual installments, plus interest, through maturity in 2015. Debt service is financed by transfers from the Park and Recreation Commission, Inc.'s share of the 1993 1% sales and use tax.

1998 Sales Tax Bond Fund -

To accumulate monies for payment of the \$2,500,000 Public Improvement Sales Tax Bonds, Series 1998, due in annual installments, plus interest through maturity in 2018. Debt service is financed from proceeds of the City's 1993 1% sales and use tax and 1967 1% sales and use tax.

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 1995 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2003
 With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 2,695	\$ 1,686	\$ (1,009)	\$ 5,251
Expenditures:				
Debt service -				
Principal retirement	35,000	35,000	-	30,000
Interest and fiscal charges	39,457	39,730	(273)	40,273
Total expenditures	74,457	74,730	(273)	70,273
Deficiency of revenues over expenditures	(71,762)	(73,044)	(1,282)	(65,022)
Other financing sources (uses):				
Transfers from 1967 Sales Tax Fund	180,000	189,550	9,550	188,833
Transfers from component unit	73,341	73,217	(124)	73,341
Transfers from (to) 1998 Sales Tax Bond Fund	(180,000)	(183,875)	(3,875)	7,901
Total other financing sources (uses)	73,341	78,892	5,551	270,075
Excess of revenues and other sources over expenditures and other uses	1,579	5,848	4,269	205,053
Fund balance, beginning	434,564	434,564	-	229,511
Fund balance, ending	\$ 436,143	\$ 440,412	\$ 4,269	\$ 434,564

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 1998 Sales Tax Bond Fund

Budgetary Comparison Schedule
 For the Year Ended November 30, 2003
 With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003		Variance with Final Budget Positive (Negative)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Miscellaneous - interest	\$ 3,875	\$ -	\$ (3,875)	\$ -
Expenditures:				
Debt service -				
Principal retirement	85,000	85,000	-	85,000
Interest and fiscal charges	98,875	98,875	-	104,825
Total expenditures	<u>183,875</u>	<u>183,875</u>	<u>-</u>	<u>189,825</u>
Deficiency of revenues over expenditures	(180,000)	(183,875)	(3,875)	(189,825)
Other financing sources (uses):				
Transfers from (to) 1995 Sales Tax Bond Fund	<u>180,000</u>	<u>183,875</u>	<u>3,875</u>	<u>(7,901)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	(197,726)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,726</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NONMAJOR CAPITAL PROJECTS FUND

Sidewalk Construction Fund -

To accumulate funds for the construction of sidewalks provided by General Fund revenues (transfers).

CITY OF CARENCRO, LOUISIANA
 Nonmajor Capital Projects Fund
 Sidewalk Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2003
 With Comparative Actual Amounts for the Year Ended November 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenue:				
Miscellaneous - interest	\$ 3,000	\$ 1,838	\$(1,162)	\$ 3,226
Expenditures:	-	-	-	-
Excess of revenues over expenditures	3,000	1,838	(1,162)	3,226
Other financing source:				
Transfer from General Fund	20,000	20,000	-	20,000
Excess of revenues and other source over expenditures	23,000	21,838	(1,162)	23,226
Fund balance, beginning	218,850	218,850	-	195,624
Fund balance, ending	<u>\$241,850</u>	<u>\$240,688</u>	<u>\$(1,162)</u>	<u>\$218,850</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
November 30, 2003 and 2002

Records maintained by the City indicated the following number of customers were being serviced during the month of November, 2003 and 2002:

<u>Department</u>	<u>2003</u>	<u>2002</u>
Gas (metered)	897	902
Water (metered)	1,857	1,841
Sewerage	1,655	1,651
Garbage	1714	1715

CITY OF CARENCRO, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
November 30, 2003

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory \$ 100,000
Surety bonds -	
Fidelity bond	260,000
Notary public bond	5,000
Comprehensive general liability, bodily injury, property damage, and personal injury	500,000
Police liability' Personal injury, liability, false arrest, etc.	500,000
Automobile bodily injury, property damage, and uninsured motorists	500,000
Public officials liability	500,000
Fire, extended coverage, and vandalism'	
Municipal building and contents:	
Building	268,200
Contents	54,500
Fire and extended coverage -	
Water treatment plant	60,800
Contents	20,000
Utility Shed on Andre	38,500
Fire and extended coverage -	
Police station	45,600
Contents	15,000

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
November 30, 2003

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Major Governmental Funds:				
General Fund -				
Certificate of Deposit	(R)	1.25%	12/3/03	\$ 101,148
Money Market Investment Account	(R)	Variable	N/A	<u>46,942</u>
				<u>148,090</u>
Special Revenue Funds -				
1967 Sales Tax Fund:				
Savings Account	(R)	Variable	N/A	19,112
Money Market Investment Account	(R)	Variable	N/A	34,680
Money Market Investment Account	(S)	Variable	N/A	10,894
Certificate of Deposit	(B)	1.49%	05/25/04	101,613
Certificate of Deposit	(B)	1.25%	08/03/04	101,780
U. S. Treasury Notes and Securities	(R)	1.625 - 6.50%	Various	<u>1,088,977</u>
				<u>1,357,056</u>
1993 Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	112,061
Money Market Investment Account	(R)	Variable	N/A	<u>44,776</u>
				<u>156,837</u>
Nonmajor governmental funds:				
Debt Service Fund -				
Sales Tax Bonds, Series 1995 Fund:				
Money Market Investment Account	(R)	Variable	N/A	150,027
Money Market Investment Account	(R)	Variable	N/A	<u>290,879</u>
				<u>440,906</u>
Capital Projects Fund -				
Sidewalk Construction Fund:				
Certificate of Deposit	(B)	1.00%	12/06/03	12,992
Certificate of Deposit	(I)	1.19%	04/07/04	25,785
Certificate of Deposit	(I)	2.16%	01/01/05	15,286
Certificate of Deposit	(I)	1.19%	04/07/04	25,785
Certificate of Deposit	(I)	1.00%	12/09/03	24,682
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>55,099</u>
				<u>159,629</u>
Total governmental funds				<u>\$2,262,518</u>
				(continued)

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
November 30, 2003

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Proprietary Fund:				
Utility Fund:				
Operating Account -				
Money Market Investment Account	(R)	Variable	N/A	234,945
Money Market Investment Account	(R)	Variable	N/A	38,616
Money Market Investment Account	(S)	Variable	N/A	23,742
U. S. Treasury Notes and Securities	(R)	0.50 - 0.77%	Various	390,881
U. S. Treasury Notes and Securities	(S)	1.63 - 6.50%	Various	1,363,079
LAMP	(L)	Variable	N/A	<u>112,551</u>
				2,163,814
Utilities System Customers Deposit Account -				
U. S. Treasury Notes and Securities	(R)	0.50 - 0.77%	Various	<u>192,566</u>
Total proprietary fund				<u>2,356,380</u>
Total interest-bearing deposits and investments - all funds				<u>\$ 4,618,898</u>

Certificates of deposit, money market investment accounts and U.S. Treasury notes and securities with ---

- (B) Bank One, Lafayette, Louisiana
- (I) Iberia Savings Bank
- (L) Louisiana Asset Management Fund
- (S) Smith Barney
- (R) Rayne State Bank

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2003 and 2002

	Totals		Gas	
	2003	2002	2003	2002
Operating revenues:				
Customers service charges	\$1,859,948	\$1,847,159	\$ 742,673	\$ 714,387
Permits, reconnections and penalties	31,115	32,085	8,846	8,230
Miscellaneous	9,866	502	3,946	-
Total operating revenues	<u>1,900,929</u>	<u>1,879,746</u>	<u>755,465</u>	<u>722,617</u>
Operating expenses:				
Salaries	310,170	346,649	114,891	139,442
Payroll taxes	29,870	23,293	9,880	10,200
Group Insurance	27,173	11,144	8,140	4,035
Retirement contribution	11,250	11,250	-	-
Gas purchased	308,185	223,327	308,185	223,327
Maintenance and supplies	244,920	292,092	25,888	22,710
Cathodic protection survey	5,744	4,970	5,744	4,970
Garbage collection fees	260,771	258,055	-	-
Depreciation expense	374,108	382,599	23,386	29,184
Utilities	123,651	106,945	-	-
Telephone	6,250	7,720	-	-
Truck operation	31,930	29,700	-	-
Office supplies and postage	31,324	8,171	-	-
Bad debts	-	5,675	-	-
Insurance	52,863	74,696	20,838	30,419
Miscellaneous	9,707	4,689	381	458
Professional fees	27,815	19,315	-	-
Uniforms	4,715	2,127	1,595	-
Engineering fees	4,542	8,454	-	-
Travel	2,106	1,447	150	-
Contractual services	73,610	59,658	-	945
Meter reader expense	28,148	9,333	10,293	3,197
Allocation of general and administrative expense	-	-	150,825	135,225
Total operating expenses	<u>1,968,852</u>	<u>1,891,309</u>	<u>680,196</u>	<u>604,112</u>
Net operating income (loss)	<u>\$ (67,923)</u>	<u>\$ (11,563)</u>	<u>\$ 75,269</u>	<u>\$ 118,505</u>

Water		Sewerage		Sanitation		Administrative	
2003	2002	2003	2002	2003	2002	2003	2002
\$ 432,568	\$433,894	\$ 375,136	\$387,849	\$309,571	\$ 311,029	\$ -	\$ -
14,641	14,605	4,123	5,085	3,505	4,165	-	-
2,270	502	1,973	-	1,677	-	-	-
<u>449,479</u>	<u>449,001</u>	<u>381,232</u>	<u>392,934</u>	<u>314,753</u>	<u>315,194</u>	-	-
74,852	63,845	28,629	39,156	-	-	91,798	104,206
6,460	4,686	3,034	2,716	-	-	10,496	5,691
5,487	2,043	1,935	1,578	-	-	11,611	3,488
-	-	-	-	-	-	11,250	11,250
-	-	-	-	-	-	-	-
120,919	169,742	87,620	98,316	-	-	10,493	1,324
-	-	-	-	-	-	-	-
-	-	-	-	260,771	258,055	-	-
101,524	103,349	219,207	220,024	-	-	29,991	30,042
39,133	36,702	79,382	65,363	-	-	5,136	4,880
-	-	-	-	-	-	6,250	7,720
-	-	-	-	-	-	31,930	29,700
-	-	-	-	-	-	31,324	8,171
-	-	-	-	-	-	-	5,675
11,270	15,773	2,316	3,718	-	-	18,439	24,786
6,820	70	-	-	1,900	325	606	3,836
-	-	-	-	-	-	27,815	19,315
-	-	1,595	-	-	-	1,525	2,127
2,600	726	1,942	7,728	-	-	-	-
400	261	170	311	-	-	1,386	875
36,148	32,879	37,462	25,834	-	-	-	-
17,855	6,136	-	-	-	-	-	-
60,910	55,775	26,105	23,680	52,210	48,406	(290,050)	(263,086)
<u>484,378</u>	<u>491,987</u>	<u>489,397</u>	<u>488,424</u>	<u>314,881</u>	<u>306,786</u>	-	-
<u>\$ (34,899)</u>	<u>\$ (42,986)</u>	<u>\$ (108,165)</u>	<u>\$ (95,490)</u>	<u>\$ (128)</u>	<u>\$ 8,408</u>	<u>\$ -</u>	<u>\$ -</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Glenn Brasseaux, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have audited the basic financial statements of the City of Carencro, Louisiana's (the City) primary government as of and for the year ended November 30, 2003, and have issued our report thereon dated February 12, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 03-1(IC).

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated February 12, 2004.

This report is intended solely for the information of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
February 12, 2004

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Glenn Brasseaux, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

Compliance

We have audited the compliance of the City of Carencro, Louisiana (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended November 30, 2003. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended November 30, 2003. However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

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Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
February 12, 2004

CITY OF CARENCRO, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2003

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development- Community Planning and Development: Community Development Block Grants/ State's Program	14.228	366,324	366,324
U.S. Department of Transportation - Federal Highway Administration/ State Department of Transportation and Development			
Highway Planning and Construction Program	20.205	385,537	385,537
2003 Recreation Trails Program	20.205	48,000	48,000
Federal Emergency Management Agency- Public Assistance Grant	83.544	<u>7,121</u>	<u>7,121</u>
Total		<u>\$ 806,982</u>	<u>\$806,982</u>

CITY OF CARENCRO, LOUISIANA

Notes to Schedule of Findings and Questioned Costs
Year Ended November 30, 2003

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Carencro (the City). The City's reporting entity is defined in Note 1 to the basic financial statements for the year ended November 30, 2003. The Community Development Block Grants/States Program and the Highway Planning and Construction Programs were considered major federal programs of the City for the year ended November 30, 2003.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended November 30, 2003.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended November 30, 2003

Part I. Summary of Auditors' Results:

1. An unqualified opinion was issued on the basic financial statements of the City of Carencro's primary government.
2. One reportable condition in internal control was disclosed by the audit of the financial statements. This reportable condition was considered to be a material weakness.
3. No instances of noncompliance were disclosed by the audit of the financial statements
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no compliance findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were the Community Development Block Grant/States Program and the Highway Planning and Construction Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

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

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Finding –

See internal control finding 03-1(IC) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2003

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

A. Compliance Findings –

There were no compliance findings to be reported under to above guidance

B. Internal Control Findings –

There were no internal control findings to be reported under to above guidance.

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended November 30, 2003

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (11/30/03) --					
<u>Internal Control:</u>					
03-1 (IC)	Unknown Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Lloyd Rochon, City Manager	N/A
<u>Management Letter:</u>					
03-2 (ML)	2002 Regarding the internal controls and accounting for the police department, all tickets reduced or changed to warnings should be either signed or initialed by the person who is authorized to do so.	No	City officials will consider these recommendations and will implement these procedures in the future.	Lloyd Rochon, City Manager	11/30/2004
03-3 (ML)	2002 The Utility Fund sewerage and water departments experienced an operating loss. The City should consider increasing sewerage and water rates and/or decreasing expenses in order for the departments to operate on a profitable basis.	Partially	City officials will consider increasing rates and/or decreasing expenses in the sewerage and water departments	Lloyd Rochon, City Manager	Immediately
PRIOR YEAR (11/30/02) --					
<u>Internal Control:</u>					
02-1 (IC)	Unknown Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Lloyd Rochon, City Manager	N/A
<u>Management Letter:</u>					
02-2 (ML)	Regarding the internal controls and accounting for the police department, the City should implement the following policies and procedures: A. All ticket books and summons books should be issued in numerical order to ensure that all tickets and summons are accounted for. B. All receipt books should be pre-numbered.	Yes	N/A		N/A
2000		Yes	N/A		N/A
2000		Yes	N/A		N/A

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended November 30, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (11/30/02) --						
<u>Management Letter:</u>						
2000	C.	Receipt and disbursement ledgers pertaining to petty cash should be maintained at the police station and forwarded to City Hall on a monthly basis. The ledgers should reconcile to the amount of petty cash on hand at the police station. Checks will then be issued to the police department to reimburse all necessary expenditures and replenish petty cash.	Yes	N/A		N/A
2002	D.	All tickets reduced or changed to warnings should be remitted to City Hall by the magistrate prior to court date. When such changes are made, the person who is authorized to do so should either sign or initial the tickets.	Partial	City officials will consider these recommendations and will implement these procedures in the future.	Lloyd Rochon, City Manager	11/30/2003
2002	E.	The City should require that all fines and fees be collected and accounted for at City Hall. Additionally, all fine collections should be deposited on a daily basis.	Yes	N/A		N/A
2002	F.	There is no reconciliation of tickets issued by the police department and tickets sent to City Hall. The police department should consider forwarding a monthly report of tickets issued to City Hall to reconcile their reports to tickets issued.	Yes	N/A		N/A
2002	G.	For tickets sent to the District Attorney's office, a receipt of acknowledgement is sent to the police department. City Hall should receive a copy of this report.	Yes	N/A		N/A

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended November 30, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Management Letter (continued):</u>						
02-3 (ML)	2002	The Utility Fund sewerage and water departments experienced an operating loss. The City should consider increasing sewerage and water rates and/or decreasing expenses in order for the departments to operate on a profitable basis.	Partially	City officials will consider increasing rates and/or decreasing expenses in the sewerage and water departments	Lloyd Rochon, City Manager	11/30/2003
02-4 (ML)	2002	The City should have written policies on accounting procedures, such as cash, investments, utility billings and collections, etc. In addition, the City should develop formal job descriptions or other means of defining particular job tasks.	Yes	N/A		N/A
02-5 (ML)	2002	The City should follow its policy of requiring two signatures on all checks.	Yes	N/A		N/A
02-6 (ML)	2002	The City should develop, adopt, and implement policies and procedures relating to City employees working on private property including the use of City equipment on private property. Additionally, written authorization should always be obtained prior to any work or duties being performed on private property.	Yes	N/A		N/A
02-7 (ML)	2002	All employees, including salaried employees, should complete some type of record of hours worked. Also, employee personnel files should be properly maintained and include the following documentation: (1) employment application, (2) pay rates, (3) changes in pay rates and position, (4) W-4 form, (5) I 9 form, and (6) termination data where applicable.	Yes	N/A		N/A