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CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/1/09

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INDEPENDENT AUDITORS' REPORT

The Honorable Glenn Brousseau, 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, 2008, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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, 2008, and the changes in its financial position, or, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the City of Carencro, Louisiana, has issued separate reporting entity financial statements for which we have issued our report dated February 13, 2009.

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, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2009, on our consideration of the City of Carencro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The budgetary comparison information on pages 43 through 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information 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 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 47 through 76 is presented for purposes of additional analysis and is not a required part of the basic financial statements. All of the supplementary information, except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole. The schedule of number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them. The prior year comparative information on the other supplementary information has been derived from the City of Carencro's 2007 financial statements, which was subjected to the auditing procedures applied in the audit of the primary government basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the primary government basic financial statements taken as a whole, except for the schedule of number of utility customers, which were not subjected to the auditing procedures and on which we expressed no opinion.

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

Lafayette, Louisiana
February 13, 2009

BASIC FINANCIAL STATEMENTS

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Assets
November 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 1,220,925	\$ 96,623	\$ 1,317,548
Investments	218,852	748,315	967,167
Receivables, net	475,208	464,676	939,884
Internal balances	(2,375)	2,375	-
Prepaid items	22,124	50,922	73,046
Total current assets	<u>1,934,734</u>	<u>1,362,911</u>	<u>3,297,645</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	3,242,666	3,242,666
Investments	-	68,646	68,646
Bond and certificate issue costs, net	10,623	26,290	36,913
Capital assets, net	<u>7,935,585</u>	<u>8,220,842</u>	<u>16,156,427</u>
Total noncurrent assets	<u>7,946,208</u>	<u>11,558,444</u>	<u>19,504,652</u>
Total assets	<u>9,880,942</u>	<u>12,921,355</u>	<u>22,802,297</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	260,550	130,999	391,549
Bonds and certificates of indebtedness payable	316,000	100,000	416,000
Accrued interest	20,969	19,948	40,917
Total current liabilities	<u>597,519</u>	<u>250,947</u>	<u>848,466</u>
Noncurrent liabilities:			
Customers deposits payable	-	226,185	226,185
Compensated absences payable	50,935	25,231	76,166
Bonds and certificates of indebtedness payable	<u>2,779,000</u>	<u>2,715,000</u>	<u>5,494,000</u>
Total noncurrent liabilities	<u>2,829,935</u>	<u>2,966,416</u>	<u>5,796,351</u>
Total liabilities	<u>3,427,454</u>	<u>3,217,363</u>	<u>6,644,817</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,851,208	8,220,842	13,072,050
Restricted for debt service	746,076	276,469	1,022,545
Unrestricted	<u>856,204</u>	<u>1,206,681</u>	<u>2,062,885</u>
Total net assets	<u>\$ 6,453,488</u>	<u>\$ 9,703,992</u>	<u>\$ 16,157,480</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, 2008

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		Total
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
General government	\$ 1,104,844	\$ 245,118	\$ -	\$ -	\$ (859,726)	\$ (859,726)
Public safety:						
Police	1,459,490	215,812	145,553	35,603	(1,062,522)	(1,062,522)
Fire	321,100	-	105,732	76,669	(138,699)	(138,699)
City Court	73,840	-	-	-	(73,840)	(73,840)
Streets	1,154,947	-	261,867	221,434	(671,646)	(671,646)
Culture and recreation	132,793	48,125	65,435	-	(19,233)	(19,233)
Interest on long-term debt	130,385	-	-	-	(130,385)	(130,385)
Total governmental activities	4,377,399	509,055	578,587	333,706	(2,956,051)	(2,956,051)
Business-type activities:						
Gas	736,224	817,031	-	-	-	80,807
Water	877,957	899,239	-	-	-	21,282
Sewer	912,309	757,486	-	57,828	-	(96,995)
Sanitation	474,124	511,294	-	-	-	37,170
Total business-type activities	3,000,614	2,985,050	-	57,828	-	42,264
Total	\$ 7,378,013	\$ 3,494,105	\$ 578,587	\$ 391,534	\$ (2,956,051)	\$ (2,913,787)
General revenues:						
Taxes -						
Property taxes, levied for general purposes					117,723	117,723
Sales and use taxes, levied for general purposes					2,343,194	2,343,194
Franchise taxes					357,148	357,148
Grants and contributions not restricted to specific programs -						
State sources					16,515	16,515
Interest and investment earnings					26,568	123,113
Miscellaneous					647	647
Net transfers to component unit					(363,916)	(363,916)
Transfers					182,229	(182,229)
Total general revenues and transfers					2,680,108	(85,684)
Change in net assets					(275,943)	(43,420)
Net assets - December 1, 2007					6,729,431	9,747,412
Net assets - November 30, 2008					6,453,488	\$ 9,703,992
						\$ 16,157,480

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.

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, 2008

ASSETS

	General	1967 Sales Tax Special Revenue	1993 Sales Tax Special Revenue	Other Governmental Funds	Total
Cash	\$ 150,644	\$ 85,319	\$ -	\$ -	\$ 235,963
Interest-bearing deposits	1,968	137,324	152,065	693,605	984,962
Investments	-	153,810	-	65,042	218,852
Prepaid items	22,124	-	-	-	22,124
Receivables:					
Taxes	7,061	98,782	98,782		204,625
Due from other funds	221,228	-	-	490,123	711,351
Due from other governmental agencies	236,329	-	-	32,638	268,967
Accrued interest	-	1,446	-	170	1,616
Total assets	\$ 639,354	\$ 476,681	\$ 250,847	\$ 1,281,578	\$ 2,648,460

LIABILITIES AND FUND BALANCES

Liabilities:					
Accounts payable	\$ 68,156	\$ 485	\$ 485	\$ -	\$ 69,126
Contracts payable	-	-	-	157,086	157,086
Retainage payable	-	-	-	21,487	21,487
Customer rental deposits	9,900	-	-	-	9,900
Accrued liabilities	2,951	-	-	-	2,951
Due to other funds	338,876	154,850	220,000	-	713,726
Total liabilities	419,883	155,335	220,485	178,573	974,276
Fund balances -					
Reserved for debt service	-	-	-	767,045	767,045
Unreserved, designated for capital expenditures	-	-	-	335,960	335,960
Unreserved, undesignated	219,471	321,346	30,362	-	571,179
Total fund balances	219,471	321,346	30,362	1,103,005	1,674,184
Total liabilities and fund balances	\$ 639,354	\$ 476,681	\$ 250,847	\$ 1,281,578	\$ 2,648,460

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, 2008

Total fund balances for governmental funds at November 30, 2008		\$1,674,184
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	\$ 886,708	
Construction in progress	3,249	
Land improvements, net of \$5,323 accumulated depreciation	43,894	
Buildings, net of \$870,002 accumulated depreciation	3,040,244	
Infrastructure, net of \$1,385,978 accumulated depreciation	2,914,515	
Equipment, furniture, and fixtures net of \$458,769 accumulated depreciation	494,769	
Vehicles, net of \$793,342 accumulated depreciation	<u>552,206</u>	7,935,585
Unamortized bond issue costs		10,623
Long-term liabilities at November 30, 2008:		
Bonds and certificates of indebtedness payable	(3,095,000)	
Compensated absences payable	(50,935)	
Accrued interest payable	<u>(20,969)</u>	<u>(3,166,904)</u>
Total net assets of governmental activities at November 30, 2008		<u>\$6,453,488</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 (Deficit) -
Governmental Funds

For the Year Ended November 30, 2008

	General	1967 Sales Tax Special Revenue	1993 Sales Tax Special Revenue	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 474,871	\$1,171,597	\$1,171,597	\$ -	\$2,818,065
Licenses and permits	245,118	-	-	-	245,118
Intergovernmental	634,183	-	-	221,434	855,617
Fines and forfeits	215,812	-	-	-	215,812
Miscellaneous	71,580	19,046	1,419	56,486	148,531
Total revenues	<u>1,641,564</u>	<u>1,190,643</u>	<u>1,173,016</u>	<u>277,920</u>	<u>4,283,143</u>
Expenditures:					
Current -					
General government	548,028	15,910	14,186	-	578,124
Administrative	73,996	-	-	-	73,996
Public safety:					
Police	1,327,365	-	-	-	1,327,365
Fire	195,810	-	-	-	195,810
City Court	73,840	-	-	-	73,840
Highways and streets	361,740	-	-	-	361,740
Culture and tourism	82,690	-	-	-	82,690
Capital outlay	837,419	-	-	403,663	1,241,082
Debt service -					
Principal retirement	-	-	-	305,000	305,000
Interest and fiscal charges	-	-	-	132,400	132,400
Total expenditures	<u>3,500,888</u>	<u>15,910</u>	<u>14,186</u>	<u>841,063</u>	<u>4,372,047</u>
Excess (deficiency) of revenues over expenditures	<u>(1,859,324)</u>	<u>1,174,733</u>	<u>1,158,830</u>	<u>(563,143)</u>	<u>(88,904)</u>
Other financing sources (uses):					
Sale of ECOL	250,000	-	-	-	250,000
Transfers in	1,664,000	-	-	731,434	2,395,434
Transfers out	-	(1,268,245)	(764,000)	(180,960)	(2,213,205)
Transfers in (out) - component unit	-	-	(387,449)	23,533	(363,916)
Total other financing sources (uses)	<u>1,914,000</u>	<u>(1,268,245)</u>	<u>(1,151,449)</u>	<u>574,007</u>	<u>68,313</u>
Net changes in fund balances	54,676	(93,512)	7,381	10,864	(20,591)
Fund balances, beginning	164,795	414,858	22,981	1,092,141	1,694,775
Fund balances, ending	<u>\$ 219,471</u>	<u>\$ 321,346</u>	<u>\$ 30,362</u>	<u>\$ 1,103,005</u>	<u>\$ 1,674,184</u>

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 (Deficit) of Governmental Funds
 to the Statement of Activities
 For the Year Ended November 30, 2008

Total net changes in fund balances at November 30, 2008 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (20,591)
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	\$ 535,090	
Depreciation expense for the year ended November 30, 2008	(466,813)	
Proceeds from sale of ECOL	(250,000)	
Loss on sales and disposals of assets	<u>(376,732)</u>	(558,455)
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 statement of net assets		
		305,000
Amortization of bond issue costs		(1,518)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		2,015
Excess of compensated absences used over compensated absences earned		<u>(2,394)</u>
Total changes in net assets at November 30, 2008 per Statement of Activities		<u>\$ (275,943)</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Assets
 Proprietary Fund
 November 30, 2008

ASSETS

Current assets:	
Cash	\$ 28,313
Interest-bearing deposits	68,310
Investments, at cost	748,315
Receivables:	
Accounts	264,217
Unbilled utility receivables	194,604
Due from other funds	148,310
Accrued interest	5,855
Prepaid items	<u>50,922</u>
Total current assets	<u>1,508,846</u>
Noncurrent assets:	
Restricted assets:	
Cash	157,539
Interest-bearing deposits	3,085,127
Investments, at cost	68,646
Certificates of indebtedness issue costs, net of accumulated amortization	26,290
Capital assets, net of accumulated depreciation	<u>8,220,842</u>
Total noncurrent assets	<u>11,558,444</u>
Total assets	<u>13,067,290</u>

LIABILITIES

Current liabilities:	
Accounts payable	102,496
Contracts payable	26,471
Accrued liabilities	2,032
Due to other funds	145,935
Accrued interest	19,948
Certificates of indebtedness payable	<u>100,000</u>
Total current liabilities	<u>396,882</u>
Noncurrent liabilities:	
Payable from restricted assets -	
Customers' deposits	226,185
Compensated absences payable	25,231
Certificates of indebtedness payable	<u>2,715,000</u>
Total noncurrent liabilities	<u>2,966,416</u>
Total liabilities	<u>3,363,298</u>

NET ASSETS

Invested in capital assets, net of related debt	8,220,842
Restricted for debt service	276,469
Unrestricted	<u>1,206,681</u>
Total net assets	<u>\$ 9,703,992</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets -
 Proprietary Fund
 For the Year Ended November 30, 2008

Operating revenues:	
Charges for services -	
Gas charges	\$ 807,932
Water service charges	871,854
Sewer service charges	750,612
Garbage collection	475,353
Penalties, permits and connection fees	52,687
Miscellaneous	<u>26,612</u>
Total operating revenues	<u>2,985,050</u>
Operating expenses:	
Salaries	395,140
Payroll taxes	30,941
Group insurance	46,466
Retirement contribution	24,479
Gas purchased	358,725
Maintenance and supplies	303,473
Chemicals	288,271
Cathodic protection survey	3,810
Garbage collection fees	414,874
Depreciation expense	543,525
Amortization expense	1,513
Utilities	163,712
Telephone	9,476
Truck operation	56,276
Office supplies and postage	17,806
Bad debts	10,231
Insurance	44,567
Miscellaneous	4,092
Professional fees	14,215
Uniforms	6,624
Engineering fees	19,578
Travel	2,632
Contractual services	88,108
Meter reader expense	<u>28,954</u>
Total operating expenses	<u>2,877,488</u>
Operating income	<u>107,562</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Fund (continued)

For the Year Ended November 30, 2008

Nonoperating revenues (expenses):	
Interest income	96,545
Interest expense	(121,563)
Loss on disposal of fixed assets	<u>(1,563)</u>
Total nonoperating revenues (expenses)	<u>(26,581)</u>
Income before contributions and transfers	80,981
Contributions	57,828
Transfers out:	
Transfer to 2007-2008 LCDBG Sewer Improvements Fund	<u>(182,229)</u>
Change in net assets	(43,420)
Net assets, beginning	<u>9,747,412</u>
Net assets, ending	<u>\$ 9,703,992</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended November 30, 2008

Cash flows from operating activities:	
Receipts from customers	\$ 2,865,680
Payments to suppliers	(1,877,701)
Payments to employees	(497,026)
Other receipts	<u>26,612</u>
Net cash provided by operating activities	<u>517,565</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(70,078)
Transfers to other funds	<u>(182,229)</u>
Net cash used by noncapital financing activities	<u>(252,307)</u>
Cash flows from capital and related financing activities:	
Net proceeds from meter deposits applied to bills or refunded	12,226
Principal paid on certificates of indebtedness	(95,000)
Interest paid on certificates of indebtedness	(121,682)
Principal paid on capital lease	(10,054)
Interest paid on capital lease	(546)
Proceeds from grants	65,000
Acquisition of property, plant and equipment	<u>(518,851)</u>
Net cash provided by capital and related financing activities	<u>(668,907)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	920,545
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(816,961)
Interest on investments	<u>99,571</u>
Net cash provided by investing activities	<u>203,155</u>
Net decrease in cash and cash equivalents	(200,494)
Cash and cash equivalents, beginning of period	<u>3,539,783</u>
Cash and cash equivalents, end of period	<u>\$ 3,339,289</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (continued)
 For the Year Ended November 30, 2008

Reconciliation of operating loss to net cash used by	
operating activities:	
Operating income	\$ 107,562
Adjustments to reconcile operating loss to net cash used by	
operating activities:	
Depreciation	543,525
Amortization	1,513
Changes in current assets and liabilities:	
Increase in accounts receivable	(39,018)
Increase in unbilled utility receivables	(53,740)
Increase in prepaid items	(13,141)
Decrease in accounts payable	7,156
Decrease in contracts payable	(26,471)
Decrease in accrued liabilities	(1,523)
Decrease in compensated absences payable	<u>(8,298)</u>
Net cash provided by operating activities	<u>\$ 517,565</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	\$ 112,970
Cash - restricted	146,627
Interest-bearing deposits - unrestricted	85,155
Interest-bearing deposits - restricted	<u>3,195,031</u>
Total cash and cash equivalents	<u>3,539,783</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	28,313
Cash - restricted	157,539
Interest-bearing deposits - unrestricted	68,310
Interest-bearing deposits - restricted	<u>3,085,127</u>
Total cash and cash equivalents	<u>3,339,289</u>
Net decrease	<u>\$ (200,494)</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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.

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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

Fund Financial Statements

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

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

- 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.

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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.
- 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.

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, 2008. 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 \$1,500 or more for capitalizing capital assets.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Compensated Absences

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

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

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

At November 30, 2008, employees of the City have accumulated and vested \$76,166 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. 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 8
Gas, water and sewer revenue	Debt service and utility operations

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.
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 an ordinance 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, 2008, 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(2) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At November 30, 2008, the City had cash and interest-bearing deposits (book balances) totaling \$4,560,214 as follows:

Demand deposits	\$ 421,815
Money market accounts	4,001,002
Time deposits	<u>137,397</u>
 Total	 <u>\$4,560,214</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at November 30, 2008, are secured as follows:

Bank balances	<u>\$4,681,253</u>
 Federal deposit insurance	 \$ 869,464
Pledged securities	<u>3,811,789</u>
 Total FDIC insurance and pledged securities	 <u>\$4,681,253</u>

Pledged securities in the amount of \$3,811,789 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, 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. The City does not have a policy for custodial credit risk

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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 I50.165, the investment in LAMP is not categorized because the investment is in the pool of funds and therefore 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 government entities 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 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 in accordance with LSA-R.S. 33:2955. 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. Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper. 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 by LAMP and the value of position in the external investment pool is the same as the value of the pool shares. GASB Statement No. 31 requires that investments that fall within the definitions of said statement be recorded at fair value.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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, 2008 are summarized as follows:

Fund	Description	Interest Rate	Reported Amount	Unrealized Gains	Fair Value
Special Revenue:					
1967 Sales Tax Fund	U.S. Treasury Notes and Securities	2.625 - 6.00%	\$ 153,810	\$ 4,520	\$ 158,330
Enterprise:					
Utility Fund	U.S. Treasury Notes and Securities	2.625 - 6.00%	684,100	31,432	\$ 715,532
	LAMP	Variable	132,861	-	132,861
Capital Projects:					
Sidewalk Construction	LAMP	Variable	65,042	-	65,042
			<u>\$1,035,813</u>	<u>\$ 35,952</u>	<u>\$1,071,765</u>

(3) Receivables

Receivables at November 30, 2008 of \$939,884 consist of the following:

	General	1967 Sales Tax	1993 Sales Tax	Other Governmental	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$264,217	\$ 264,217
Unbilled utility	-	-	-	-	194,604	194,604
Grants	236,329	-	-	32,638	-	268,967
Franchise tax	7,061	-	-	-	-	7,061
Sales tax	-	98,782	98,782	-	-	197,564
Interest	-	1,446	-	170	5,855	7,471
Totals	<u>\$ 243,390</u>	<u>\$100,228</u>	<u>\$98,782</u>	<u>\$32,808</u>	<u>\$464,676</u>	<u>\$ 939,884</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended November 30, 2008 was as follows:

	Balance 12/01/07	Additions	Deletions	Balance 11/30/08
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 886,708	\$ -	\$ -	\$ 886,708
Construction in progress	-	3,249	-	3,249
Other capital assets:				
Land improvements	49,217	-	-	49,217
Buildings	4,862,805	18,539	971,098	3,910,246
Infrastructure	4,072,755	227,738	-	4,300,493
Equipment, furniture and fixtures	869,648	184,365	100,475	953,538
Vehicles	1,341,522	101,200	97,174	1,345,548
Totals	<u>12,082,655</u>	<u>535,091</u>	<u>1,168,747</u>	<u>11,448,999</u>
Less accumulated depreciation				
Land improvements	3,582	1,741	-	5,323
Buildings	1,109,161	118,933	358,092	870,002
Infrastructure	1,270,729	115,249	-	1,385,978
Equipment, furniture and fixtures	461,093	96,969	99,293	458,769
Vehicles	744,050	133,921	84,629	793,342
Total accumulated depreciation	<u>3,588,615</u>	<u>466,813</u>	<u>542,014</u>	<u>3,513,414</u>
Governmental activities, capital assets, net	<u>\$ 8,494,040</u>	<u>\$ 68,278</u>	<u>\$ 626,733</u>	<u>\$ 7,935,585</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 115,848	\$ -	\$ -	\$ 115,848
Construction in progress	8,332	202,316	-	210,648
Other capital assets:				
Gas system	1,078,139	18,542	-	1,096,681
Water system	5,358,773	-	-	5,358,773
Sewer system	8,901,838	176,926	-	9,078,764
Machinery and equipment	950,014	121,067	17,075	1,054,006
Totals	<u>16,412,944</u>	<u>518,851</u>	<u>17,075</u>	<u>16,914,720</u>
Less accumulated depreciation				
Gas system	849,260	23,520	-	872,780
Water system	3,096,619	156,028	-	3,252,647
Sewer system	3,705,354	281,021	-	3,986,375
Machinery and equipment	514,632	82,956	15,512	582,076
Total accumulated depreciation	<u>8,165,865</u>	<u>543,525</u>	<u>15,512</u>	<u>8,693,878</u>
Business-type activities, capital assets, net	<u>\$ 8,247,079</u>	<u>\$ (24,674)</u>	<u>\$ 1,563</u>	<u>\$ 8,220,842</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 58,390
Police	130,872
Fire	111,976
Highways and streets	116,990
Culture and recreation	<u>48,585</u>
Total depreciation expense	<u>\$ 466,813</u>

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

Gas	\$ 46,586
Water	180,918
Sewer	302,450
Sanitation	<u>13,571</u>
Total depreciation expense	<u>\$ 543,525</u>

(5) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2008

Customers' deposits	\$ 226,185
Revenue bond sinking fund	88,643
Revenue bond construction account	<u>2,996,484</u>
	<u>\$3,311,312</u>

(6) Accounts and Other Payables

The accounts and other payables of \$391,549 consisted of the following at November 30, 2008:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 69,126	\$102,496	171,622
Contracts	157,086	26,471	183,557
Retainage	21,487	-	21,487
Customer rental deposits	9,900	-	9,900
Accrued liabilities	<u>2,951</u>	<u>2,032</u>	<u>4,983</u>
Totals	<u>\$ 260,550</u>	<u>\$130,999</u>	<u>\$391,549</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended November 30, 2008:

	Governmental	Business-Type	
	Activities	Activities	
	General	Capital	Utility
	Obligation	Lease	Revenue
Long-term debt as of December 1, 2007	\$ 3,400,000	\$ 10,054	\$ 2,910,000
Additions	-	-	-
Retirements	(305,000)	(10,054)	(95,000)
Long-term debt as of November 30, 2008	<u>\$ 3,095,000</u>	<u>\$ -</u>	<u>\$ 2,815,000</u>

Long-term debt payable at November 30, 2008 is comprised of the following individual issues:

General obligation bonds –

Governmental activities:

\$2,500,000 Public Improvement Sales Tax Bonds, Series 1998, due in annual installments of \$115,000 to \$265,000 through April 1, 2018; interest at 3.9 percent to 7.0 percent; payable from 1993 sales tax revenues	\$ 1,670,000
\$1,500,000 Certificates of Indebtedness, Series 2004, due in annual installments of \$146,000 to \$178,000 through April 1, 2014; interest at 4.00 percent; payable from 1967 sales tax revenues	970,000
\$605,000 Public Improvement Sales Tax Bonds Series 2005, due in annual installments of \$55,000 to \$75,000 through April 1, 2015; interest at 4.0 percent; payable from 1993 sales tax revenues	<u>455,000</u>
	<u>\$ 3,095,000</u>

Business-Type activities:

\$3,000,000 Certificates of Indebtedness, Series 2006, due in annual installments of \$100,000 to \$230,000 through April 1, 2026; interest at 4.2 percent to 4.3 percent; payable from utility fund revenues	<u>\$ 2,815,000</u>
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CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The debt is due as follows:

Year ending November 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2009	316,000	119,553	100,000	117,588
2010	327,000	106,750	105,000	113,283
2011	343,000	9,350	110,000	108,768
2012	359,000	79,310	115,000	104,043
2013	377,000	64,590	120,000	99,108
2014-2018	1,373,000	134,798	700,000	412,230
2019-2023	-	-	905,000	242,664
2024-2026	-	-	660,000	43,430
Total	<u>\$ 3,095,000</u>	<u>\$ 514,351</u>	<u>\$ 2,815,000</u>	<u>\$ 1,241,114</u>

The compensated absences payable of \$76,166 is considered to be long-term since it should not be paid within the current year. Of that amount, \$50,935 is applicable to governmental activities and \$25,231 is applicable to business-type activities.

(8) Sales and Use Tax

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro were \$1,171,597 during the year ended November 30, 2008 and are dedicated to the following purposes:

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

Proceeds of the 1993 1% sales and use tax were \$1,171,597 during the year ended November 30, 2008 and are dedicated to the following purposes:

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(9) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the covenants included in the contract for the issuance of the \$3,000,000 Certificates of Indebtedness 2006, dated October 10, 2006, the City is required to budget the funds each fiscal year sufficient to pay the principal of and interest on the Certificates. Any excess annual revenues remaining in that fiscal year shall be free for expenditure for any other lawful corporate purpose.

There will also be established and maintained a fund called the "Certificates of Indebtedness (2006) Sinking Fund." The City is required to deposit into the Sinking Fund at least one day in advance of the date on which each payment of principal and/or interest on the certificates funds sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

The City was in compliance with all covenants of the contract at November 30, 2008.

(10) Employee Retirement

All employees are members of one of the following retirement systems:

Federal Social Security System
Municipal Employees' Retirement System of Louisiana
Municipal Police Employees' Retirement System of Louisiana
Firefighters Retirement System of Louisiana

Pertinent information relative to each plan follows:

A. Federal Social Security System

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, 2008, 2007, and 2006 amounted to \$104,420, \$88,406, and \$82,417, respectively.

B. Municipal Employees' Retirement System of Louisiana (System)

Plan Description - Eligible employees of the City participate in the Municipal Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B. Pertinent information relative to the plan follows

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding Policy – Under Plan B, members are required by state to contribute 5.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 6.75%. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's employees began participation in the system effective May 1, 2007. The City's contributions to the System under Plan B for the years ending November 30, 2008 and 2007 were \$36,719 and \$21,985, respectively, equal to the required contributions for each year. During the fiscal year ended November 30, 2007, the City also contributed \$206,385 to purchase retroactive years of service for its employees.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

C. Municipal Police Employees' Retirement System of Louisiana (System)

Plan Description – Eligible employees of the City participate in the Municipal Police Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Eligible employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200 Baton Rouge, Louisiana 70809-7601.

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.5% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's policemen began participation in the system effective February 1, 2007. The contributions to the System for the years ending November 30, 2008 and 2007 were \$46,353 and \$47,329, equal to the required contribution for each year. During the fiscal year ended November 30, 2007, the City also contributed \$110,156 to purchase retroactive years of service for its employees.

D. Firefighters Retirement System of Louisiana (System)

Plan Description - Eligible employees of the City participate in the Firefighters Retirement System of Louisiana, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy - Plan members are required by state statute to contribute 8.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.5% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City firefighters began participation in the system effective June 1, 2007. The City's contribution to the System for the years ending November 30, 2008 and 2007 were \$5,384 and \$1,763, respectively, equal to the required contribution for each year. During the fiscal year ended November 30, 2007, the City also contributed \$7,577 to purchase retroactive years of service for its employees.

(11) Defined Contribution Pension Plan

As of December 1, 1992, the City of Carencro established a defined contribution pension plan. Substantially all employees became eligible to participate in the plan after completing one year of employment. During the year ended November 30, 2007, the City terminated the plan, utilizing the funds to purchase employees' share of retroactive years of service in the various municipal employees retirement systems described in note 10.

(12) Litigation and Claims

At November 30, 2008, 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, 2008, the City's natural gas purchases amounted to \$358,725, of which \$35,196 was owed for purchases for the month of November 2008.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(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 (ECOL). The initial term of the lease was seven (7) years with a monthly rental of \$100. Upon expiration of the lease, the lessee has the option to renew for ten (10) additional five (5) year terms with a monthly rental of \$100. During the fiscal year ended November 30, 2008, the City sold the Enterprise Center to the University of Louisiana at Lafayette for \$250,000. The City did not receive any rental income from ECOL during the fiscal year ended November 30, 2008.

(16) Segment Information for the Enterprise Fund

The City of Carencro maintains one enterprise fund with four departments, which provide gas, water, sewerage, and sanitation services. Segment information for the year ended November 30, 2008, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$817,031</u>	<u>\$899,239</u>	<u>\$ 757,486</u>	<u>\$ 511,294</u>	<u>\$2,985,050</u>
Operating expenses:					
Depreciation	46,586	180,918	302,450	13,571	543,525
Other	<u>689,638</u>	<u>573,913</u>	<u>609,859</u>	<u>460,553</u>	<u>2,333,963</u>
Total operating expenses	<u>736,224</u>	<u>754,831</u>	<u>912,309</u>	<u>474,124</u>	<u>2,877,488</u>
Operating income (loss)	<u>\$ 80,807</u>	<u>\$144,408</u>	<u>\$(154,823)</u>	<u>\$ 37,170</u>	<u>\$ 107,562</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended November 30, 2008 follows:

Glenn Brasseaux, Mayor	\$56,609
Aldermen:	
Allen Conque	9,435
Antoine Babineaux, Jr.	7,776
Alfred Sinegal	6,156
L.J. Boudreaux	324
Bobby Badon	648
Kim Guidry	7,776
J.L. Richard	<u>7,776</u>
	<u>\$96,500</u>

(18) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2008:

Due to the Utility Fund from the General Fund representing short-term loans	\$ 148,310
Due to the Sidewalk Construction Fund from the General Fund for sidewalk construction projects	147,338
Due to the 1967 Sales Tax Fund from the General Fund for reimbursement of expenditures	42,000
Due to the General Fund from the 1993 Sales Tax Fund for reimbursement of expenditures	220,000
Due to the 2005 Sales Tax Bond Fund from the 1967 Sales Tax Fund representing short-term loans	196,850
Due to the 2007-2008 LCDBG Fund from the Utility Fund for reimbursement of expenditures	<u>145,935</u>
Total	<u>\$ 900,433</u>

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

Due from other funds, Balance Sheet - Governmental Funds	\$ 752,123
Due from other funds, Statement of Net Assets - Proprietary Funds	148,310
Due to other funds, Balance Sheet - Governmental Funds	(754,498)
Due to other funds, Statement of Net Assets - Proprietary Funds	<u>(145,935)</u>
Total	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

B. Transfers consisted of the following at November 30, 2008:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major funds:		
General Fund	\$1,664,000	\$ -
1967 Sales Tax Special Revenue Fund	-	1,268,245
1993 Sales Tax Special Revenue Fund	-	764,000
Non-major governmental funds:		
2005 Sales Tax Bond Fund	183,578	180,960
1998 Sales Tax Bond Fund	180,960	-
2004 Certificates of Indebtedness Bond Fund	184,667	-
LCDBG 2007-2008 Sewer Improvements Fund	182,229	-
Proprietary Fund:		
Enterprise Fund	-	182,229
Total	<u>\$2,395,434</u>	<u>\$ 2,395,434</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.

(19) Lease Agreement with the Parks and Recreation Commission of Carencro, Inc.

The City of Carencro entered into a contract with the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit, for PARC to use, maintain, administer, operate, construct, acquire, and improve recreational facilities within the city limits of Carencro and administer and organize recreational, physical, and fitness activities for the general populous of Carencro. Effective December 1, 2005, PARC shall make monthly payments to the City in the amount of \$4,200 as a lease payment for PARC's use of the Pelican Park property. As such, Pelican Park property in the net amount of \$855,878 was removed from PARC's general ledger and is recorded in the City's government-wide financial statements. The contract continues for one-year intervals unless and until one of the parties to the contract gives written notice to other party on or before October 1 of the current calendar year of its intent to terminate the contract. The lease revenue is recorded in the 2005 Sales Tax Bond Debt Service Fund.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2008

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 425,400	\$ 447,129	\$ 474,871	\$ 27,742
Licenses and permits	208,500	228,918	245,118	16,200
Intergovernmental	267,894	635,176	634,183	(993)
Fines and forfeits	199,800	216,320	215,812	(508)
Miscellaneous	49,966	69,428	71,580	2,152
Total revenues	<u>1,151,560</u>	<u>1,596,971</u>	<u>1,641,564</u>	<u>44,593</u>
Expenditures:				
Current -				
General government:				
Administrative	510,298	567,743	548,028	19,715
Code department	92,415	71,037	73,996	(2,959)
Public safety:				
Police	1,301,568	1,373,137	1,327,365	45,772
Fire	171,593	193,824	195,810	(1,986)
City court	85,400	76,121	73,840	2,281
Highways and streets	341,548	346,116	361,740	(15,624)
Culture and tourism	75,412	80,219	82,690	(2,471)
Capital outlay	<u>228,082</u>	<u>859,040</u>	<u>837,419</u>	<u>21,621</u>
Total expenditures	<u>2,806,316</u>	<u>3,567,237</u>	<u>3,500,888</u>	<u>66,349</u>
Deficiency of revenues over expenditures	<u>(1,654,756)</u>	<u>(1,970,266)</u>	<u>(1,859,324)</u>	<u>110,942</u>
Other financing sources (uses):				
Sale of ECOL	-	250,000	250,000	-
Transfers from -				
1967 Sales Tax Fund	820,000	900,000	900,000	-
1993 Sales Tax Fund	794,000	764,000	764,000	-
Utility Fund	60,000	-	-	-
Transfers to -				
Sidewalk Construction fund	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,654,000</u>	<u>1,914,000</u>	<u>1,914,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(756)	(56,266)	54,676	110,942
Fund balance, beginning	<u>164,795</u>	<u>164,795</u>	<u>164,795</u>	<u>-</u>
Fund balance, ending	<u>\$ 164,039</u>	<u>\$ 108,529</u>	<u>\$ 219,471</u>	<u>\$ 110,942</u>

CITY OF CARENCRO, LOUISIANA
1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$1,200,000	\$1,160,000	\$1,171,597	\$ 11,597
Miscellaneous - interest	<u>14,000</u>	<u>11,942</u>	<u>19,046</u>	<u>7,104</u>
Total revenues	1,214,000	1,171,942	1,190,643	18,701
Expenditures:				
Current:				
General government	<u>13,550</u>	<u>15,060</u>	<u>15,910</u>	<u>(850)</u>
Excess of revenues over expenditures	1,200,450	1,156,882	1,174,733	17,851
Other financing uses:				
Transfers out	<u>(1,537,906)</u>	<u>(1,267,906)</u>	<u>(1,268,245)</u>	<u>(339)</u>
Deficiency of revenues over expenditures and other uses	(337,456)	(111,024)	(93,512)	17,512
Fund balances, beginning	<u>414,858</u>	<u>414,858</u>	<u>414,858</u>	<u>-</u>
Fund balances, ending	<u>\$ 77,402</u>	<u>\$ 303,834</u>	<u>\$ 321,346</u>	<u>\$ 17,512</u>

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$1,200,000	\$1,160,000	\$1,171,597	\$11,597
Miscellaneous	<u>2,850</u>	<u>1,515</u>	<u>1,419</u>	<u>(96)</u>
Total revenues	1,202,850	1,161,515	1,173,016	11,501
Expenditures:				
Current:				
General government	<u>10,925</u>	<u>13,650</u>	<u>14,186</u>	<u>(536)</u>
Excess of revenues over expenditures	<u>1,191,925</u>	<u>1,147,865</u>	<u>1,158,830</u>	<u>10,965</u>
Other financing uses:				
Transfers to other funds	(794,000)	(764,000)	(764,000)	-
Transfer to component unit	<u>(397,000)</u>	<u>(382,000)</u>	<u>(387,449)</u>	<u>(5,449)</u>
Total other financing uses	<u>(1,191,000)</u>	<u>(1,146,000)</u>	<u>(1,151,449)</u>	<u>(5,449)</u>
Excess of revenues over expenditures and other uses	925	1,865	7,381	5,516
Fund balances, beginning	<u>22,981</u>	<u>22,981</u>	<u>22,981</u>	<u>-</u>
Fund balances, ending	<u>\$ 23,906</u>	<u>\$ 24,846</u>	<u>\$ 30,362</u>	<u>\$ 5,516</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA

Statement of Net Assets
November 30, 2008
With Comparative Totals for November 30, 2007

	2008			2007 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$1,220,925	\$ 96,623	\$ 1,317,548	\$ 1,341,746
Investments	218,852	748,315	967,167	1,149,145
Receivables, net	475,208	464,676	939,884	703,633
Internal balances	(2,375)	2,375	-	-
Prepaid items	22,124	50,922	73,046	70,093
Total current assets	<u>1,934,734</u>	<u>1,362,911</u>	<u>3,297,645</u>	<u>3,264,617</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	3,242,666	3,242,666	3,341,658
Investments	-	68,646	68,646	67,332
Bond and certificate issue costs, net	10,623	26,290	36,913	39,944
Capital assets, net	<u>7,935,585</u>	<u>8,220,842</u>	<u>16,156,427</u>	<u>16,741,119</u>
Total noncurrent assets	<u>7,946,208</u>	<u>11,558,444</u>	<u>19,504,652</u>	<u>20,190,053</u>
Total assets	<u>9,880,942</u>	<u>12,921,355</u>	<u>22,802,297</u>	<u>23,454,670</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	260,550	130,999	391,549	305,506
Capital lease payable	-	-	-	10,054
Deferred revenue	-	-	-	12,641
Bonds and certificates of indebtedness payable	316,000	100,000	416,000	400,000
Accrued interest	20,969	19,948	40,917	43,597
Total current liabilities	<u>597,519</u>	<u>250,947</u>	<u>848,466</u>	<u>771,798</u>
Noncurrent liabilities:				
Customers deposits payable	-	226,185	226,185	213,959
Compensated absences payable	50,935	25,231	76,166	82,070
Bonds and certificates of indebtedness payable	<u>2,779,000</u>	<u>2,715,000</u>	<u>5,494,000</u>	<u>5,910,000</u>
Total noncurrent liabilities	<u>2,829,935</u>	<u>2,966,416</u>	<u>5,796,351</u>	<u>6,206,029</u>
Total liabilities	<u>3,427,454</u>	<u>3,217,363</u>	<u>6,644,817</u>	<u>6,977,827</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,851,208	8,220,842	13,072,050	13,343,206
Restricted for debt service	746,076	276,469	1,022,545	1,030,194
Unrestricted	<u>856,204</u>	<u>1,206,681</u>	<u>2,062,885</u>	<u>2,103,443</u>
Total net assets	<u>\$6,453,488</u>	<u>\$ 9,703,992</u>	<u>\$16,157,480</u>	<u>\$16,476,843</u>

CITY OF CARENCRO, LOUISIANA

Balance Sheet

General and Special Revenue Funds

November 30, 2008

With Comparative Actual Amounts as of November 30, 2007

	General		1967 Sales Tax Special Revenue		1993 Sales Tax Special Revenue	
	2008	2007	2008	2007	2008	2007
ASSETS						
Cash	\$ 150,644	\$ 130,448	\$ 85,319	\$ 90,664	\$ -	\$ -
Interest-bearing deposits	1,968	1,963	137,324	140,292	152,065	92,534
Investments	-	-	153,810	232,598	-	-
Prepaid items	22,124	32,312	-	-	-	-
Receivables:						
Taxes	7,061	7,181	98,782	94,939	98,782	94,942
Due from other funds	221,228	172,744	-	103,825	-	-
Due from other governmental units	236,329	35,110	-	-	-	-
Accrued interest	-	-	1,446	3,585	-	-
Total assets	<u>\$ 639,354</u>	<u>\$379,758</u>	<u>\$476,681</u>	<u>\$665,903</u>	<u>\$250,847</u>	<u>\$187,476</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 68,156	\$ 50,695	\$ 485	\$ 495	\$ 485	\$ 495
Customer rental deposits	9,900	9,850	-	-	-	-
Accrued liabilities	2,951	2,267	-	-	-	-
Deferred revenue	-	4,813	-	-	-	-
Due to other funds	338,876	147,338	154,850	250,550	220,000	164,000
Total liabilities	419,883	214,963	155,335	251,045	220,485	164,495
Fund balances -						
Unreserved, undesignated	219,471	164,795	321,346	414,858	30,362	22,981
Total liabilities and fund balances	<u>\$ 639,354</u>	<u>\$379,758</u>	<u>\$476,681</u>	<u>\$665,903</u>	<u>\$250,847</u>	<u>\$187,476</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008				
	Budget		Actual	Variance with	2007 Actual
	Original	Final		Final Budget Positive (Negative)	
Taxes:					
Ad valorem	\$ 108,000	\$ 117,723	\$ 117,723	\$ -	\$ 107,938
Franchise -					
Electric	311,500	318,560	351,135	32,575	325,981
Cable TV and gas	5,900	10,846	6,013	(4,833)	5,877
Total taxes	<u>425,400</u>	<u>447,129</u>	<u>474,871</u>	<u>27,742</u>	<u>439,796</u>
Licenses and permits:					
Occupational licenses	161,500	173,535	188,065	14,530	166,302
Code department permits	47,000	55,383	57,053	1,670	54,123
Total licenses and permits	<u>208,500</u>	<u>228,918</u>	<u>245,118</u>	<u>16,200</u>	<u>220,425</u>
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt. Assistance	-	236,328	241,152	4,824	-
State of Louisiana -					
Department of Transportation and Development	20,715	20,715	20,715	-	14,828
Beer taxes	14,500	16,866	16,515	(351)	15,115
Tobacco taxes	-	-	-	-	9,896
On-behalf payments	96,900	106,031	109,431	3,400	65,005
LETPP grant	-	-	-	-	40,920
State grants	9,344	90,469	89,481	(988)	43,738
Lafayette Parish Government -					
Two percent fire insurance refund	50,000	55,732	55,732	-	55,006
Proceeds for fire department	35,000	50,000	50,000	-	50,000
Lafayette Economic Development Authority	15,035	15,035	15,035	-	15,868
Lafayette Parish School Board - resource officer	26,400	44,000	36,122	(7,878)	33,000
Total intergovernmental	<u>267,894</u>	<u>635,176</u>	<u>634,183</u>	<u>(993)</u>	<u>343,376</u>
Fines and forfeits:					
Fines and court costs	65,000	76,494	80,014	3,520	71,097
Police special detail and accident reports	134,800	139,826	135,798	(4,028)	145,953
Total fines, forfeits, etc.	<u>199,800</u>	<u>216,320</u>	<u>215,812</u>	<u>(508)</u>	<u>217,050</u>
Miscellaneous:					
Interest	16	15	17	2	21
ECOL rent	1,200	-	-	-	1,200
Community Center rentals	40,500	45,975	48,125	2,150	47,014
Donations	-	22,791	22,791	-	-
Other sources	8,250	647	647	-	9,507
Total miscellaneous	<u>49,966</u>	<u>69,428</u>	<u>71,580</u>	<u>2,152</u>	<u>57,742</u>
Total revenues	<u>\$1,151,560</u>	<u>\$ 1,596,971</u>	<u>\$ 1,641,564</u>	<u>\$ 44,593</u>	<u>\$ 1,278,389</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008			Variance with Final Budget Positive (Negative)	2007 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 97,148	\$96,500	\$96,500	\$ -	\$89,952
Other salaries and wages	59,073	59,073	59,073	-	54,697
Retirement - current	7,808	7,809	8,141	(332)	6,089
Retirement - retroactive	-	-	-	-	20,196
Group insurance	7,771	7,740	7,993	(253)	7,289
Payroll taxes	10,040	10,669	10,669	-	9,314
Insurance	19,658	17,108	17,686	(578)	16,681
Office	23,500	35,115	38,021	(2,906)	21,028
Advertisements and recordings	10,000	9,769	10,352	(583)	8,938
Dues	2,000	2,311	2,311	-	3,327
Legal fees	30,000	30,735	29,023	1,712	32,370
Accounting and auditing	17,300	12,995	14,875	(1,880)	16,065
Engineering	150,000	197,638	171,504	26,134	151,987
Travel and conferences	12,000	8,200	9,240	(1,040)	13,682
Gas and repairs	6,500	9,046	7,710	1,336	6,580
Auto allowance	12,000	12,000	12,000	-	12,000
Utilities and telephone	8,900	12,089	12,226	(137)	10,400
Rent	6,000	6,000	6,000	-	6,000
Repairs and maintenance	20,400	22,139	22,592	(453)	23,310
Senior citizens' compensation	7,500	7,367	7,434	(67)	7,714
Uniforms	1,500	2,387	2,428	(41)	1,691
Miscellaneous	1,200	1,053	2,250	(1,197)	1,535
Total administrative	<u>510,298</u>	<u>567,743</u>	<u>548,028</u>	<u>19,715</u>	<u>520,845</u>
Code department:					
Salaries	35,067	35,067	36,465	(1,398)	31,296
Retirement - current	2,367	2,367	2,377	(10)	1,378
Retirement - retroactive	-	-	-	-	13,829
Group insurance	3,120	3,179	3,283	(104)	3,103
Payroll taxes	2,683	3,338	3,413	(75)	2,251
Insurance	4,178	2,782	2,694	88	1,321
Inspection fees	40,000	21,950	22,545	(595)	34,120
Miscellaneous	5,000	2,354	3,219	(865)	2,074
Total code department	<u>92,415</u>	<u>71,037</u>	<u>73,996</u>	<u>(2,959)</u>	<u>89,372</u>
Total general government	<u>602,713</u>	<u>638,780</u>	<u>622,024</u>	<u>16,756</u>	<u>610,217</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Actual	Variance with	2007 Actual
	Budget			Final Budget	
	Original	Final		Positive (Negative)	
Public safety:					
Police department -					
Salaries	705,014	720,460	707,540	12,920	587,112
Retirement - current	69,120	75,302	48,123	27,179	47,329
Retirement - retroactive	-	-	-	-	110,156
Group insurance	88,746	77,576	80,108	(2,532)	75,104
Payroll taxes	55,108	50,873	53,579	(2,706)	43,674
Insurance	90,000	111,318	116,606	(5,288)	77,593
Gas and repairs	110,000	157,492	162,331	(4,839)	139,800
Equipment expenditures	35,000	44,706	23,380	21,326	47,510
Maintenance	8,400	11,720	13,944	(2,224)	13,047
Utilities and telephone	20,400	23,745	23,559	186	19,080
Auto	6,000	6,000	6,000	-	6,000
Legal fees	6,000	1,812	2,400	(588)	10,769
Miscellaneous	500	1,687	1,787	(100)	8,439
Supplies	12,000	8,581	4,345	4,236	6,225
Office supplies	15,000	11,000	11,788	(788)	15,314
Grant expenditures	32,480	23,008	23,008	-	20,568
Radio user fees	9,600	9,420	9,420	-	9,580
Uniforms	11,000	12,924	13,381	(457)	13,005
Training	19,200	16,205	16,738	(533)	14,586
Drug task force expenditures	6,500	8,327	8,159	168	890
Drug testing	1,500	981	1,169	(188)	2,273
Total police department	<u>1,301,568</u>	<u>1,373,137</u>	<u>1,327,365</u>	<u>45,772</u>	<u>1,268,054</u>
Fire department -					
Salaries	46,273	51,354	51,299	55	47,965
Retirement - current	3,737	5,364	3,344	2,020	1,763
Retirement - retroactive	-	-	-	-	7,577
Group insurance	6,240	4,488	4,634	(146)	5,699
Payroll taxes	3,930	3,863	3,905	(42)	3,695
Insurance	41,213	36,813	38,916	(2,103)	32,921
Maintenance and supplies	15,500	22,402	22,550	(148)	13,690
Auto	19,000	28,000	30,804	(2,804)	23,244
Utilities and telephone	15,700	21,395	19,752	1,643	15,650
Equipment expenditures	5,500	7,200	6,735	465	10,177
Contract labor	3,600	3,600	3,600	-	-
Miscellaneous	1,500	1,100	1,084	16	4,614
Training	3,000	2,784	3,113	(329)	1,961
Radio user fees	3,900	3,968	3,968	-	3,870
Uniforms	2,500	1,493	2,106	(613)	2,273
Total fire department	<u>171,593</u>	<u>193,824</u>	<u>195,810</u>	<u>(1,986)</u>	<u>175,099</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008				
	Budget		Actual	Variance with Final Budget	2007 Actual
	Original	Final		Positive (Negative)	
City Court department -					
City magistrate	7,100	3,168	8,746	(5,578)	8,439
Legal fees	4,800	3,963	3,738	225	-
Fine fees	28,500	29,685	29,063	622	29,407
Forfeits and seizures	2,000	3,205	833	2,372	-
Traffic detail expenditures	43,000	36,100	31,460	4,640	39,580
Total city court department	<u>85,400</u>	<u>76,121</u>	<u>73,840</u>	<u>2,281</u>	<u>77,426</u>
Total public safety	<u>1,558,561</u>	<u>1,643,082</u>	<u>1,597,015</u>	<u>46,067</u>	<u>1,520,579</u>
Highways and streets:					
Salaries	89,837	97,714	96,189	1,525	65,162
Retirement - current	6,065	6,135	6,270	(135)	2,600
Retirement - retroactive	-	-	-	-	22,051
Group insurance	13,780	14,042	14,500	(458)	11,394
Payroll taxes	6,873	7,019	6,768	251	4,601
Insurance	16,643	13,955	15,694	(1,739)	18,710
Maintenance and supplies	66,500	50,900	65,707	(14,807)	77,990
Lighting	81,000	90,519	87,620	2,899	83,317
Dumping fees	4,000	9,071	8,001	1,070	5,923
Inmate labor	37,500	38,413	38,413	-	37,441
Auto	16,500	15,938	20,082	(4,144)	15,010
Training	500	200	200	-	1,804
Uniforms	1,850	1,787	1,792	(5)	-
Miscellaneous	500	423	504	(81)	-
Total highways and streets	<u>341,548</u>	<u>346,116</u>	<u>361,740</u>	<u>(15,624)</u>	<u>346,003</u>
Culture and tourism -					
Main street project, parades, and events, Congres Mondial, etc.	10,000	9,942	9,942	-	7,515
Centennial committee	-	620	1,427	(807)	4,760
	<u>10,000</u>	<u>10,562</u>	<u>11,369</u>	<u>(807)</u>	<u>12,275</u>
Community Center:					
Salaries	8,000	6,694	6,986	(292)	6,013
Payroll taxes	612	455	461	(6)	419
Insurance	17,400	17,378	18,233	(855)	14,892
Equipment and supplies	10,200	16,253	19,179	(2,926)	14,587
Utilities and telephone	11,200	10,877	9,962	915	10,580
Total community center	<u>47,412</u>	<u>51,657</u>	<u>54,821</u>	<u>(3,164)</u>	<u>46,491</u>
Economic development:					
Contracted services	18,000	18,000	16,500	1,500	11,725
Total culture and tourism	<u>75,412</u>	<u>80,219</u>	<u>82,690</u>	<u>(2,471)</u>	<u>70,491</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Actual	Variance with Final Budget Positive (Negative)	2007 Actual
	Budget				
	Original	Final			
Capital outlay:					
General government -					
City hall renovations	-	5,903	5,903	-	-
Smart growth management	38,082	35,133	30,071	5,062	15,035
Telephone communication system	-	30,520	30,520	-	-
Equipment	-	4,253	4,253	-	-
Autos	-	-	-	-	18,355
Total general government	<u>38,082</u>	<u>75,809</u>	<u>70,747</u>	<u>5,062</u>	<u>33,390</u>
Public safety:					
Police -					
Autos	72,000	88,117	101,200	(13,083)	77,639
Fence	-	12,636	12,636	-	-
Storage building	-	3,249	3,249	-	-
Equipment	40,600	54,224	57,148	(2,924)	107,989
Total police	<u>112,600</u>	<u>158,226</u>	<u>174,233</u>	<u>(16,007)</u>	<u>185,628</u>
Fire -					
Equipment	15,000	92,344	92,443	(99)	12,028
Highways and streets:					
Walter Drive overlay project	-	155,599	155,599	-	-
Moss Street overlay project	-	59,107	59,107	-	-
Tournament Drive overlay project	-	13,032	13,032	-	-
Christmas decorations and lights	-	6,195	6,195	-	-
Feasibility study - flood control	62,400	62,400	62,400	-	-
Hurricane expenditures	-	236,328	203,663	32,665	-
Total highways and streets	<u>62,400</u>	<u>532,661</u>	<u>499,996</u>	<u>32,665</u>	<u>-</u>
 Total capital outlay	 <u>228,082</u>	 <u>859,040</u>	 <u>837,419</u>	 <u>21,621</u>	 <u>231,046</u>
 Total expenditures	 <u>\$2,806,316</u>	 <u>\$3,567,237</u>	 <u>\$3,500,888</u>	 <u>\$ 66,349</u>	 <u>\$2,778,336</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Actual	Variance with Final Budget Positive (Negative)	2007 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$1,200,000	\$1,160,000	\$1,171,597	\$11,597	\$1,129,185
Miscellaneous - interest	14,000	11,942	19,046	7,104	21,752
Total revenues	<u>1,214,000</u>	<u>1,171,942</u>	<u>1,190,643</u>	<u>18,701</u>	<u>1,150,937</u>
Expenditures:					
Current -					
General government -					
Collection fees	3,800	6,900	6,641	259	4,458
Professional fees	6,750	6,750	7,545	(795)	6,955
Office expenditures	3,000	1,410	1,724	(314)	2,697
Total expenditures	<u>13,550</u>	<u>15,060</u>	<u>15,910</u>	<u>(850)</u>	<u>14,110</u>
Excess of revenues over expenditures	<u>1,200,450</u>	<u>1,156,882</u>	<u>1,174,733</u>	<u>17,851</u>	<u>1,136,827</u>
Other financing uses:					
Transfers to -					
General Fund	(820,000)	(900,000)	(900,000)	-	(875,000)
2005 Sales Tax Bond Fund	(182,333)	(182,333)	(183,578)	(1,245)	(182,803)
2004 Certificate of Indebtedness Bond Fund	(185,573)	(185,573)	(184,667)	906	(184,880)
Capital Projects Fund	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,128)</u>
Total other financing uses	<u>(1,537,906)</u>	<u>(1,267,906)</u>	<u>(1,268,245)</u>	<u>(339)</u>	<u>(1,243,811)</u>
Deficiency of revenues over expenditures and other uses	(337,456)	(111,024)	(93,512)	17,512	(106,984)
Fund balance, beginning	<u>414,858</u>	<u>414,858</u>	<u>414,858</u>	<u>-</u>	<u>521,842</u>
Fund balance, ending	<u>\$ 77,402</u>	<u>\$ 303,834</u>	<u>\$ 321,346</u>	<u>\$17,512</u>	<u>\$ 414,858</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Actual	Variance with Final Budget Positive (Negative)	2007 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 1,200,000	\$ 1,160,000	\$ 1,171,597	\$ 11,597	\$ 1,129,216
Miscellaneous - interest	2,850	1,515	1,419	(96)	2,971
Total revenues	<u>1,202,850</u>	<u>1,161,515</u>	<u>1,173,016</u>	<u>11,501</u>	<u>1,132,187</u>
Expenditures:					
General government -					
Collection fees	4,175	6,900	6,641	259	4,458
Professional fees	<u>6,750</u>	<u>6,750</u>	<u>7,545</u>	<u>(795)</u>	<u>6,915</u>
Total expenditures	<u>10,925</u>	<u>13,650</u>	<u>14,186</u>	<u>(536)</u>	<u>11,373</u>
Excess of revenues over expenditures	<u>1,191,925</u>	<u>1,147,865</u>	<u>1,158,830</u>	<u>10,965</u>	<u>1,120,814</u>
Other financing uses -					
Transfers to:					
General Fund	(794,000)	(764,000)	(764,000)	-	(724,000)
Component unit	<u>(397,000)</u>	<u>(382,000)</u>	<u>(387,449)</u>	<u>(5,449)</u>	<u>(375,664)</u>
Total other financing uses	<u>(1,191,000)</u>	<u>(1,146,000)</u>	<u>(1,151,449)</u>	<u>(5,449)</u>	<u>(1,099,664)</u>
Excess of revenues over expenditures and other uses	925	1,865	7,381	5,516	21,150
Fund balance, beginning	<u>22,981</u>	<u>22,981</u>	<u>22,981</u>	-	<u>1,831</u>
Fund balance, ending	<u>\$ 23,906</u>	<u>\$ 24,846</u>	<u>\$ 30,362</u>	<u>\$ 5,516</u>	<u>\$ 22,981</u>

CITY OF CARENCRO, LOUISIANA
 Nonmajor Governmental Funds

Combining Balance Sheet
 November 30, 2008

With Comparative Actual Amounts as of November 30, 2007

	2005		2004		LCDBG		Totals	
	Sales Tax Bond Fund	1998 Sales Tax Bond Fund	Certificates of Indebtedness Bond Fund	2007-2008 Sewer Improvements Fund	2008	2007		
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,825
Interest-bearing deposits, at cost	465,522	-	104,673	123,410	693,605	683,895		683,895
Investments, at cost	-	-	-	65,042	65,042	63,334		63,334
Receivables:								
Due from other funds	196,850	-	-	147,338	490,123	356,847		356,847
Due from other governmental agencies	-	-	-	-	32,638	77,208		77,208
Accrued interest receivable	-	-	-	170	170	724		724
TOTAL ASSETS	\$662,372	\$ -	\$104,673	\$335,960	\$1,281,578	\$ 1,185,833		
LIABILITIES AND FUND BALANCES								
Liabilities:								
Contracts payable	\$ -	\$ -	\$ -	\$ -	\$ 157,086	\$ 15,896		\$ 15,896
Retainage payable	-	-	-	-	21,487	73,971		73,971
Due to other funds	-	-	-	-	-	3,825		3,825
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$178,573	\$ 93,692		\$ 93,692
Fund balances:								
Reserved for debt service	662,372	-	104,673	-	767,045	760,957		760,957
Unreserved, designated for capital expenditures	-	-	-	335,960	335,960	331,184		331,184
Total fund balances	662,372	-	104,673	335,960	1,103,005	1,092,141		1,092,141
TOTAL LIABILITIES AND FUND BALANCES	\$662,372	\$ -	\$104,673	\$335,960	\$1,281,578	\$ 1,185,833		\$ 1,185,833

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended November 30, 2008
With Comparative Actual Amounts for the Year Ended November 30, 2007

	2005		1998		2004		LCDBG 2007-2008		Totals	
	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund	Certificates of Indebtedness Bond Fund	Sidewalk Construction Fund	Sewer Improvements Fund	2008	2007		
Revenues:										
Federal grant - LCDBG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,434	\$ 221,434	\$ 143,066		
Rent	50,400	-	-	-	-	-	50,400	50,400		
Miscellaneous - interest	1,108	-	-	202	4,776	-	6,086	10,478		
Total revenues	<u>51,508</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>4,776</u>	<u>221,434</u>	<u>277,920</u>	<u>203,944</u>		
Expenditures:										
Current -										
Police building expenditures	-	-	-	-	-	-	-	1,128		
Capital outlay	-	-	-	-	-	403,663	403,663	221,845		
Debt service -										
Principal retirement	55,000	110,000	140,000	-	-	-	305,000	291,000		
Interest and fiscal charges	19,840	70,960	41,600	-	-	-	132,400	144,213		
Total expenditures	<u>74,840</u>	<u>180,960</u>	<u>181,600</u>	<u>-</u>	<u>-</u>	<u>403,663</u>	<u>841,063</u>	<u>658,186</u>		
Deficiency of revenues over expenditures	<u>(23,332)</u>	<u>(180,960)</u>	<u>(181,398)</u>	<u>4,776</u>	<u>-</u>	<u>(182,229)</u>	<u>(563,143)</u>	<u>(454,242)</u>		
Other financing sources (uses):										
Transfers from General Fund	-	-	-	-	-	-	-	20,000		
Transfers from 1967 Sales Tax Fund	183,578	-	-	-	-	-	183,578	183,931		
Transfers from 2005 Sales Tax Bond Fund	-	180,960	184,667	-	-	-	365,627	365,033		
Transfers from Utility Fund	-	-	-	-	-	182,229	182,229	78,777		
Transfers from component unit	23,533	-	-	-	-	-	23,533	24,000		
Transfers to 1998 Sales Tax Bond Fund	(180,960)	-	-	-	-	-	(180,960)	(180,153)		
Total financing sources (uses)	<u>26,151</u>	<u>180,960</u>	<u>184,667</u>	<u>-</u>	<u>-</u>	<u>182,229</u>	<u>574,007</u>	<u>491,588</u>		
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>2,819</u>	<u>-</u>	<u>3,269</u>	<u>4,776</u>	<u>-</u>	<u>-</u>	<u>10,864</u>	<u>37,346</u>		
Fund balances, beginning	<u>659,553</u>	<u>-</u>	<u>101,404</u>	<u>331,184</u>	<u>-</u>	<u>-</u>	<u>1,092,141</u>	<u>1,054,795</u>		
Fund balances, ending	<u>\$662,372</u>	<u>\$ -</u>	<u>\$104,673</u>	<u>\$335,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,103,005</u>	<u>\$ 1,092,141</u>		

NONMAJOR DEBT SERVICE FUNDS

2005 Sales Tax Bond Fund -

To accumulate monies for payment of the \$605,000 Public Improvement Sales Tax Bonds, Series 2005, 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.

2004 Certificate of Indebtedness Bond Fund

To accumulate monies for payment of the \$1,500,000 Certificates of Indebtedness, Series 2004, due in annual installments, plus interest through maturity in 2014. Debt service is financed from proceeds of the City's 1967 1% sales and use tax.

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 2005 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2008
 With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Variance with Budget Positive (Negative)	2007 Actual
	Budget	Actual		
Revenues:				
Rent	\$ 50,400	\$ 50,400	\$ -	\$ 50,400
Miscellaneous - interest	1,100	1,108	8	1,096
Total revenues	<u>51,500</u>	<u>51,508</u>	<u>8</u>	<u>51,496</u>
Expenditures:				
Debt service -				
Principal retirement	55,000	55,000	-	50,000
Interest and fiscal charges	19,840	19,840	-	21,940
Total expenditures	<u>74,840</u>	<u>74,840</u>	<u>-</u>	<u>71,940</u>
Deficiency of revenues over expenditures	<u>(23,340)</u>	<u>(23,332)</u>	<u>8</u>	<u>(20,444)</u>
Other financing sources (uses):				
Transfers from 1967 Sales Tax Fund	182,333	183,578	1,245	182,803
Transfers from component unit	24,000	23,533	(467)	24,000
Transfers to 1998 Sales Tax Bond Fund	<u>(180,960)</u>	<u>(180,960)</u>	<u>-</u>	<u>(179,900)</u>
Total other financing sources (uses)	<u>25,373</u>	<u>26,151</u>	<u>778</u>	<u>26,903</u>
Excess of revenues and other sources over expenditures and other uses	2,033	2,819	786	6,206
Fund balance, beginning	<u>659,553</u>	<u>659,553</u>	<u>-</u>	<u>653,347</u>
Fund balance, ending	<u>\$ 661,586</u>	<u>\$ 662,372</u>	<u>\$ 786</u>	<u>\$ 659,553</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 For the Year Ended November 30, 2008
 With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Variance with Budget Positive (Negative)	2007 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service -				
Principal retirement	110,000	110,000	-	105,000
Interest and fiscal charges	70,960	70,960	-	75,153
Total expenditures	<u>180,960</u>	<u>180,960</u>	-	<u>180,153</u>
Deficiency of revenues over expenditures	(180,960)	(180,960)	-	(180,153)
Other financing sources:				
Transfers from 2005 Sales Tax Bond Fund	<u>180,960</u>	<u>180,960</u>	-	<u>180,153</u>
Excess of revenues and other sources over expenditures	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 2004 Certificate of Indebtedness Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 For the Year Ended November 30, 2008
 With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Variance with Budget Positive Negative	2007 Actual
	Budget	Actual		
Revenues:	\$ 200	\$ 202	\$ 2	\$ 199
Expenditures:				
Debt service -				
Principal retirement	140,000	140,000	-	136,000
Interest and fiscal charges	41,600	41,600	-	47,120
Total expenditures	181,600	181,600	-	183,120
Deficiency of revenues over expenditures	(181,400)	(181,398)	2	(182,921)
Other financing sources:				
Transfers from 1967 Sales Tax Fund	185,573	184,667	(906)	184,880
Excess of revenues and other sources over expenditures	4,173	3,269	(904)	1,959
Fund balance, beginning	101,404	101,404	-	99,445
Fund balance, ending	\$ 105,577	\$ 104,673	\$ (904)	\$ 101,404

NONMAJOR CAPITAL PROJECTS FUND

Sidewalk Construction Fund -

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

LCDBG 2007-2008 Sewer Improvements -

To accumulate funds for the construction of the 2006-2007 Sewer Improvements project provided by the Louisiana Community Development Block Grant and Utility 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, 2008
 With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Variance with Budget Positive (Negative)	2007 Actual
	Budget	Actual		
Revenue:				
Miscellaneous - interest	\$ 4,793	\$ 4,776	\$ (17)	\$ 9,183
Expenditures:	-	-	-	-
Excess of revenues over expenditures	4,793	4,776	(17)	9,183
Other financing source:				
Transfer from General Fund	-	-	-	20,000
Excess of revenues and other source over expenditures	4,793	4,776	(17)	29,183
Fund balance, beginning	<u>331,184</u>	<u>331,184</u>	-	<u>302,001</u>
Fund balance, ending	<u>\$335,977</u>	<u>\$335,960</u>	<u>\$ (17)</u>	<u>\$331,184</u>

CITY OF CARENCRO, LOUISIANA
 Nonmajor Capital Projects Fund
 LCDBG 2007-2008 Sewer Improvements Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2008
 With Comparative Actual Amounts for the Year Ended November 30, 2007

	2008		Variance with Budget Positive Negative	2007 Actual
	Budget	Actual	(Negative)	Actual
Revenue:				
Intergovernmental -				
Federal grant - LCDBG	\$221,434	\$221,434	\$ -	\$ 143,006
Expenditures:				
Capital outlay - sewer improvements				
Administration	8,909	8,909	-	17,500
Acquisition of real property	-	-	-	1,545
Engineering fees	17,986	17,986	-	59,733
Construction costs	376,768	376,768	-	143,067
Total capital outlay	403,663	403,663	-	221,845
Deficiency of revenues over expenditures	(182,229)	(182,229)	-	(78,779)
Other financing source:				
Transfer from Utility Fund	182,229	182,229	-	78,777
Excess (deficiency) of revenues and other source over expenditures	-	-	-	(2)
Fund balance, beginning	-	-	-	2
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
November 30, 2008 and 2007

Records maintained by the City indicated the following number of customers were being serviced during the month of November, 2008 and 2007:

<u>Department</u>	<u>2008</u>	<u>2007</u>
Gas (metered)	825	846
Water (metered)	2,164	2,133
Sewerage	1,898	1,884
Garbage	1,972	1,959

CITY OF CARENCRO, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
November 30, 2008

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory \$ 500,000
Surety bonds -	
Fidelity bond	285,000
Notary public bond	20,000
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	800,000
Contents	200,000
Fire and extended coverage -	
Utility Building	54,200
Contents	40,000
Fire and extended coverage -	
Water treatment plant	72,000
Contents	20,000
Utility Shed on Andre	46,000
Fire and extended coverage -	
Police station	550,000
Contents	55,000
Building and personal property coverage -	
Community Center	1,540,000

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
November 30, 2008

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Major Governmental Funds:				
General Fund -				
Money Market Investment Account	(R)	Variable	N/A	\$ <u>1,968</u>
Special Revenue Funds -				
1967 Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	20,565
Certificate of Deposit	(H)	3.44%	01/12/10	116,759
U. S. Treasury Notes and Securities	(S)	2.625 - 6.00%	Various	<u>153,810</u>
				<u>291,134</u>
1993 Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	75,916
Money Market Investment Account	(R)	Variable	N/A	<u>76,149</u>
				<u>152,065</u>
Nonmajor governmental funds:				
Debt Service Funds -				
Sales Tax Bonds, Series 2005 Fund:				
Money Market Investment Account	(R)	Variable	N/A	172,122
Money Market Investment Account	(R)	Variable	N/A	<u>293,400</u>
				<u>465,522</u>
2004 Certificates of Indebtedness Bond Fund:				
Money Market Investment Account	(R)	Variable	N/A	<u>104,673</u>
Capital Projects Fund -				
Sidewalk Construction Fund:				
Money Market Investment Account	(I)	Variable	N/A	106,031
Certificate of Deposit	(I)	2.66%	03/11/09	17,379
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>65,042</u>
				<u>188,452</u>
Total governmental funds				<u>\$1,203,814</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
November 30, 2008

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Proprietary Fund:				
Utility Fund -				
Unrestricted Accounts:				
Money Market Investment Account	(R)	Variable	N/A	\$ 63,561
Money Market Investment Account	(R)	Variable	N/A	4,749
U. S. Treasury Notes and Securities	(S)	2.625 - 6.00%	Various	659,193
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>89,122</u>
Total unrestricted accounts				<u>816,625</u>
Restricted Accounts:				
Customers' Deposits -				
U. S. Treasury Notes and Securities	(R)	1.50%	Various	24,907
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>43,739</u>
				68,646
Revenue Bond Sinking Fund -				
Money Market Investment Account	(R)	Variable	N/A	88,643
Revenue Bond Construction Account -				
Money Market Investment Account	(I)	Variable	N/A	<u>2,996,484</u>
Total restricted accounts				<u>3,153,773</u>
Total proprietary fund				<u>3,970,398</u>
Total interest-bearing deposits and investments - all funds				<u>\$5,174,212</u>

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

- (H) Home Bank
- (I) Iberia Savings Bank
- (L) Louisiana Asset Management Fund
- (S) Smith Barney
- (R) Rayne State Bank

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Net Assets
Proprietary Fund
November 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
ASSETS		
Current assets:		
Cash	\$ 28,313	\$ 112,970
Interest-bearing deposits	68,310	85,155
Investments, at cost	748,315	853,213
Receivables:		
Accounts	264,217	225,199
Unbilled utility receivables	194,604	140,864
Due from other funds	148,310	-
Due from other governmental agencies	-	15,000
Accrued interest	5,855	8,881
Prepaid items	50,922	37,781
Total current assets	<u>1,508,846</u>	<u>1,479,063</u>
Noncurrent assets:		
Restricted assets:		
Cash	157,539	146,627
Interest-bearing deposits	3,085,127	3,195,031
Investments, at cost	68,646	67,332
Certificates of indebtedness issue costs, net of accumulated amortization	26,290	27,803
Capital assets, net of accumulated depreciation	8,220,842	8,247,079
Total noncurrent assets	<u>11,558,444</u>	<u>11,683,872</u>
Total assets	<u>13,067,290</u>	<u>13,162,935</u>
LIABILITIES		
Current liabilities:		
Accounts payable	102,496	95,340
Contracts payable	26,471	52,942
Accrued liabilities	2,032	3,555
Due to other funds	145,935	67,703
Deferred revenue	-	7,828
Accrued interest	19,948	20,613
Certificates of indebtedness payable	100,000	95,000
Capital lease payable	-	10,054
Total current liabilities	<u>396,882</u>	<u>353,035</u>
Noncurrent liabilities:		
Payable from restricted assets -		
Customers' deposits	226,185	213,959
Compensated absences payable	25,231	33,529
Certificates of indebtedness payable	2,715,000	2,815,000
Total noncurrent liabilities	<u>2,966,416</u>	<u>3,062,488</u>
Total liabilities	<u>3,363,298</u>	<u>3,415,523</u>
NET ASSETS		
Invested in capital assets, net of related debt	8,220,842	8,237,025
Restricted for debt service	276,469	292,221
Unrestricted	1,206,681	1,218,166
Total net assets	<u>\$ 9,703,992</u>	<u>\$ 9,747,412</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2008 and 2007

	Totals		Gas	
	2008	2007	2008	2007
Operating revenues:				
Customers service charges	\$2,905,751	\$2,406,875	\$807,932	\$707,375
Permits, reconnections and penalties	52,687	55,303	1,700	100
Miscellaneous	26,612	14,889	7,399	4,376
Total operating revenues	<u>2,985,050</u>	<u>2,477,067</u>	<u>817,031</u>	<u>711,851</u>
Operating expenses:				
Salaries	395,140	380,738	140,167	150,130
Payroll taxes	30,941	26,871	10,636	10,776
Group insurance	46,466	46,899	14,403	16,694
Retirement - current	24,479	17,052	-	-
Retirement - retroactive	-	150,309	-	-
Gas purchased	358,725	362,821	358,725	362,821
Maintenance and supplies	303,473	277,126	29,408	33,035
Chemicals	288,271	207,317	-	-
Cathodic protection survey	3,810	2,620	3,810	2,620
Garbage collection fees	414,874	407,411	-	-
Depreciation expense	543,525	533,725	23,520	23,032
Amortization expense	1,513	1,513	-	-
Utilities	163,712	136,733	-	-
Telephone	9,476	8,962	-	-
Truck operation	56,276	47,699	18,828	16,928
Office supplies and postage	17,806	20,734	-	-
Bad debts	10,231	7,878	-	-
Insurance	44,567	67,963	25,156	34,474
Miscellaneous	4,092	2,400	125	23
Professional fees	14,215	16,790	-	-
Uniforms	6,624	6,940	2,110	2,571
Engineering fees	19,578	23,323	-	-
Travel	2,632	1,530	310	594
Contractual services	88,108	84,480	220	-
Meter reader expense	28,954	28,539	8,103	8,231
Allocation of general and administrative expense	-	-	100,703	146,104
Total operating expenses	<u>2,877,488</u>	<u>2,868,373</u>	<u>736,224</u>	<u>808,033</u>
Net operating income (loss)	<u>\$ 107,562</u>	<u>\$ (391,306)</u>	<u>\$ 80,807</u>	<u>\$(96,182)</u>

<u>Water</u>		<u>Sewerage</u>		<u>Sanitation</u>		<u>Administrative</u>	
<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
\$871,854	\$682,595	\$ 750,612	\$ 586,560	\$475,353	\$430,345	\$ -	\$ -
19,400	29,850	-	-	31,587	25,353	-	-
<u>7,985</u>	<u>4,223</u>	<u>6,874</u>	<u>3,628</u>	<u>4,354</u>	<u>2,662</u>	-	-
<u>899,239</u>	<u>716,668</u>	<u>757,486</u>	<u>590,188</u>	<u>511,294</u>	<u>458,360</u>	-	-
106,005	78,770	18,566	30,524	-	-	130,402	121,314
7,351	5,230	1,326	2,532	-	-	11,628	8,333
14,442	9,795	2,210	3,054	-	-	15,411	17,356
-	-	-	-	-	-	24,479	17,052
-	-	-	-	-	-	-	150,309
-	-	-	-	-	-	-	-
120,151	152,388	129,340	64,295	-	-	24,574	27,408
101,457	78,260	186,814	129,057	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	414,874	407,411	-	-
156,028	157,644	281,021	282,904	-	-	82,956	70,145
-	-	-	-	-	-	1,513	1,513
47,076	45,133	106,873	81,518	-	-	9,763	10,082
-	-	-	-	-	-	9,476	8,962
16,309	13,571	20,060	17,027	-	-	1,079	173
-	-	-	-	-	-	17,806	20,734
-	-	-	-	-	-	10,231	7,878
11,433	12,514	1,976	4,176	-	-	6,002	16,799
678	100	641	-	-	-	2,648	2,277
-	-	-	-	-	-	14,215	16,790
-	-	4,514	4,369	-	-	-	-
8,935	7,009	10,643	16,314	-	-	-	-
1,484	936	838	-	-	-	-	-
33,960	41,280	53,928	43,200	-	-	-	-
20,851	20,308	-	-	-	-	-	-
<u>108,671</u>	<u>140,986</u>	<u>93,559</u>	<u>121,150</u>	<u>59,250</u>	<u>88,885</u>	<u>(362,183)</u>	<u>(497,125)</u>
<u>754,831</u>	<u>763,924</u>	<u>912,309</u>	<u>800,120</u>	<u>474,124</u>	<u>496,296</u>	-	-
<u>\$144,408</u>	<u>\$(47,256)</u>	<u>\$(154,823)</u>	<u>\$(209,932)</u>	<u>\$ 37,170</u>	<u>\$(37,936)</u>	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

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

The Honorable 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 (the City) as of and for the year ended November 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 13, 2009. 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Carencro's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the control deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 08-1(IC) and 08-2(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

We also noted certain additional matters that we have reported to management of the City of Carencro, Louisiana in a separate letter dated February 13, 2009.

This report is intended solely for the information and use of the City's management, board of aldermen, 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 may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
February 13, 2009

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended November 30, 2008

<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>Ref. No.</u> CURRENT YEAR (11/30/08) --					
<u>Internal Control:</u>					
08-1 (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
08-2(IC) 2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Lloyd Rochon, City Manager	N/A
<u>Management Letter:</u>					
08-3 (ML) 2002	The Utility Fund sewerage department experienced an operating loss of \$154,823 for the fiscal year ended November 30, 2008. The City should consider increasing sewerage utility rates and/or decreasing expenses in order for the department to operate on a profitable basis.	Partial	City officials will consider increasing sewer rates and/or decreasing expenses in the sewerage department.	Lloyd Rochon, City Manager	11/30/2009
08-4 (ML) 2008	In order to properly maintain and account for the City of Carencro's capital assets, city officials should ascertain that the inventory control program established by management is followed. Each departmental property management officer should ensure that all assets are properly logged and tagged in accordance with the inventory management procedures. An annual physical inventory should be taken and all additions and deletions should be properly documented.	Partial	City officials will verify that inventory management procedures are being followed.	Lloyd Rochon, City Manager	Immediately

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended November 30, 2008

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Internal Control:</u>					
07-1 (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
07-2(IC)	2007 The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Lloyd Rochon, City Manager	N/A
<u>Management Letter:</u>					
07-3 (ML)	2002 The Utility Fund gas, water, sewerage and sanitation departments experienced an operating loss. The City should consider increasing these utility rates and/or decreasing expenses in order for the departments to operate on a profitable basis.	Partial	City officials will consider increasing rates and/or decreasing expenses in the gas, water, sewerage, and sanitation departments.	Lloyd Rochon, City Manager	Immediately

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MANAGEMENT LETTER

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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, 2008, and submit the following recommendations for your consideration. Item (1) was also included in our management letter dated February 21, 2008 for the audit period ended November 30, 2007 and is mentioned again for re-emphasis:

- (1) The Utility Fund sewerage department experienced an operating loss in the amount of \$154,823 for the fiscal year ended November 30, 2008. The City should consider increasing sewerage utility rates and/or decreasing expenses in order for the department to operate on a profitable basis.
- (2) In order to properly maintain and account for the City's capital assets, city officials should ascertain that the inventory control program established by management is followed. Each departmental property management officer should ensure that all assets are properly logged and tagged in accordance with the inventory management procedures. An annual physical inventory should be taken and all additions and deletions should be properly documented.

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 13, 2009