

**CITY OF CARENCRO, LOUISIANA**

Financial Report

Year Ended November 30, 2014

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

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

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

#### *Auditors' Responsibility*

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

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

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

***Basis for Adverse Opinion on Discretely Presented Component Unit***

The financial statements referred to above do not include financial data for the City's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the discretely presented component unit would have been reported as \$2,206,929, \$15,337, \$2,191,592, \$1,143,309, and \$905,122, respectively.

***Adverse Opinion on Discretely Presented Component Unit***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Carencro, Louisiana, as of November 30, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Carencro, Louisiana, as of November 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 21 to the basic financial statements, the City had a prior period adjustment. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carencro, Louisiana's basic financial statements. The other supplementary information on pages 52 through 79 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The statements of net position on pages 52 and 77, comparative balance sheet on page 53, nonmajor governmental fund statements on pages 62 and 63, combined schedule of interest-bearing deposits and investments on pages 75 and 76, and the comparative department analysis of revenues and expenses for the Utility Fund on pages 78 and 79 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the primary government basic financial statements as a whole. The prior year comparative amounts on this information was derived from the City of Carencro's 2013 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

The budgetary comparison schedules on pages 54 through 61, the nonmajor governmental fund schedules on pages 65 through 72, the schedule of the number of utility customers on page 73, and the schedule of insurance in force on page 74 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2015, 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.

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

Lafayette, Louisiana  
May 22, 2015

**BASIC FINANCIAL STATEMENTS**

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position  
November 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 6,332,982	\$ 248,686	\$ 6,581,668
Investments	248,236	520,283	768,519
Receivables, net	449,210	483,931	933,141
Internal balances	(21,923)	21,923	-
Due from other governmental agencies	246,128	-	246,128
Prepaid items	31,071	24,504	55,575
Total current assets	<u>7,285,704</u>	<u>1,299,327</u>	<u>8,585,031</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	480,179	480,179
Investments	-	44,173	44,173
Capital assets, net	<u>10,980,286</u>	<u>16,679,181</u>	<u>27,659,467</u>
Total noncurrent assets	<u>10,980,286</u>	<u>17,203,533</u>	<u>28,183,819</u>
Total assets	<u>18,265,990</u>	<u>18,502,860</u>	<u>36,768,850</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	239,905	508,216	748,121
Capital lease payable	34,648	61,707	96,355
Bonds and certificates of indebtedness payable	869,000	215,000	1,084,000
Accrued interest	65,205	16,002	81,207
Total current liabilities	<u>1,208,758</u>	<u>800,925</u>	<u>2,009,683</u>
Noncurrent liabilities:			
Customers deposits payable	-	338,220	338,220
Compensated absences payable	91,537	60,399	151,936
Capital lease payable	93,675	155,592	249,267
Bonds and certificates of indebtedness payable	7,962,000	3,252,000	11,214,000
Total noncurrent liabilities	<u>8,147,212</u>	<u>3,806,211</u>	<u>11,953,423</u>
Total liabilities	<u>9,355,970</u>	<u>4,607,136</u>	<u>13,963,106</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,160,573	12,680,713	14,841,286
Restricted for debt service	1,054,732	170,130	1,224,862
Unrestricted	5,694,715	1,044,881	6,739,596
Total net position	<u>\$ 8,910,020</u>	<u>\$ 13,895,724</u>	<u>\$22,805,744</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, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 906,844	\$ 314,572	\$ -	\$ -	\$ (592,272)	\$ -	\$ (592,272)
Public safety:							
Police	2,368,990	334,239	284,519	5,190	(1,745,042)	-	(1,745,042)
Fire	472,267	-	132,759	-	(339,508)	-	(339,508)
City Court	177,576	-	-	-	(177,576)	-	(177,576)
Streets	1,072,966	-	20,715	726,554	(325,697)	-	(325,697)
Culture and recreation	760,940	38,890	38,247	111,150	(572,653)	-	(572,653)
Interest on long-term debt	159,529	-	-	-	(159,529)	-	(159,529)
Total governmental activities	<u>5,919,112</u>	<u>687,701</u>	<u>476,240</u>	<u>842,894</u>	<u>(3,912,277)</u>	<u>-</u>	<u>(3,912,277)</u>
Business-type activities:							
Gas	665,242	741,217	-	-	-	75,975	75,975
Water	1,223,943	1,063,331	-	-	-	(160,612)	(160,612)
Sewer	1,079,180	981,975	-	458,141	-	360,936	360,936
Sanitation	622,767	676,991	-	-	-	54,224	54,224
Interest on long-term debt	106,900	-	-	-	-	(106,900)	(106,900)
Total business-type activities	<u>3,698,032</u>	<u>3,463,514</u>	<u>-</u>	<u>458,141</u>	<u>-</u>	<u>223,623</u>	<u>223,623</u>
Total	<u>\$ 9,617,144</u>	<u>\$ 4,151,215</u>	<u>\$ 476,240</u>	<u>\$ 1,301,035</u>	<u>(3,912,277)</u>	<u>223,623</u>	<u>(3,688,654)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					200,870	-	200,870
Sales and use taxes, levied for general purposes					4,870,662	-	4,870,662
Franchise taxes					455,168	-	455,168
Grants and contributions not restricted to specific programs -							
State sources					14,234	-	14,234
Interest and investment earnings					8,490	6,492	14,982
Miscellaneous					38,732	-	38,732
Net transfers					(3,333,289)	3,333,289	-
Total general revenues and transfers					<u>2,254,867</u>	<u>3,339,781</u>	<u>5,594,648</u>
Change in net position					(1,657,410)	3,563,404	1,905,994
Net position - December 1, 2013, as restated					10,567,430	10,332,320	20,899,750
Net position - November 30, 2014					<u>\$ 8,910,020</u>	<u>\$ 13,895,724</u>	<u>\$ 22,805,744</u>

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.

#### **Taxing Increment Financing (TIF) District Sales Tax Fund -**

To account for the receipt and use of the proceeds of a 1% sales and use tax levied on the businesses located in the I-49 Corridor Economic Development District, State of Louisiana (the "District"). These taxes are dedicated and used for the purpose of financing economic development projects in the District.

### **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, 2014

	General	1967	1993	TIF	Other	Total
		Sales Tax Special Revenue	Sales Tax Special Revenue	District Sales Tax Special Revenue	Governmental Funds	
<b>ASSETS</b>						
Cash	\$ 208,847	\$108,678	\$ -	\$ -	\$3,844,539	\$4,162,064
Interest-bearing deposits	23,984	20,800	26,819	1,072,972	1,026,343	2,170,918
Investments	-	182,549	-	-	65,687	248,236
Receivables:						
Taxes	10,534	171,561	171,562	84,251	-	437,908
Due from other funds	20,000	100,000	-	-	93,594	213,594
Due from government agencies	-	-	-	-	246,128	246,128
Accrued interest	-	885	-	-	-	885
Other	10,417	-	-	-	-	10,417
Prepaid items	31,071	-	-	-	-	31,071
Total assets	<u>\$ 304,853</u>	<u>\$584,473</u>	<u>\$198,381</u>	<u>\$1,157,223</u>	<u>\$5,276,291</u>	<u>\$7,521,221</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 117,271	\$ 195	\$ 195	\$ 11,592	\$ -	\$ 129,253
Contracts payable	-	-	-	-	67,969	67,969
Retainage payable	12,361	-	-	26,188	-	38,549
Customer rental deposits	4,100	-	-	-	-	4,100
Accrued liabilities	34	-	-	-	-	34
Due to other funds	36,098	50,000	20,000	46,197	83,222	235,517
Total liabilities	<u>169,864</u>	<u>50,195</u>	<u>20,195</u>	<u>83,977</u>	<u>151,191</u>	<u>475,422</u>
Fund balances -						
Nonspendable - prepaid items	31,071	-	-	-	-	31,071
Restricted - sales tax dedications	-	534,278	178,186	1,073,246	-	1,785,710
Restricted - debt service	-	-	-	-	1,119,937	1,119,937
Assigned - capital projects	-	-	-	-	4,005,163	4,005,163
Unassigned	103,918	-	-	-	-	103,918
Total fund balances	<u>134,989</u>	<u>534,278</u>	<u>178,186</u>	<u>1,073,246</u>	<u>5,125,100</u>	<u>7,045,799</u>
Total liabilities and fund balances	<u>\$ 304,853</u>	<u>\$584,473</u>	<u>\$198,381</u>	<u>\$1,157,223</u>	<u>\$5,276,291</u>	<u>\$7,521,221</u>

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

CITY OF CARENCRO, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
November 30, 2014

Total fund balances for governmental funds at November 30, 2014 \$ 7,045,799

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 886,708	
Construction in progress	667,092	
Land improvements, net of \$15,767 accumulated depreciation	33,450	
Buildings, net of \$1,621,577 accumulated depreciation	3,875,771	
Infrastructure, net of \$2,343,968 accumulated depreciation	4,458,104	
Equipment, furniture, and fixtures net of \$1,040,383 accumulated depreciation	374,032	
Vehicles, net of \$1,480,917 accumulated depreciation	<u>685,129</u>	10,980,286

Long-term liabilities, including bonds and certificates of indebtedness payable, are not due and payable in the current period and, therefore, not reported in the governmental funds.

Long-term liabilities at November 30, 2014:

Bonds and certificates of indebtedness payable	(8,831,000)	
Capital lease payable	(128,323)	
Compensated absences payable	(91,537)	
Accrued interest payable	<u>(65,205)</u>	<u>(9,116,065)</u>

Total net position of governmental activities at November 30, 2014 \$ 8,910,020

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

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds  
 For the Year Ended November 30, 2014

	General	1967 Sales Tax Special Revenue	1993 Sales Tax Special Revenue	TIF District Sales Tax Special Revenue	Other Governmental Funds	Total
<b>Revenues:</b>						
Taxes	\$ 656,038	\$ 1,903,775	\$ 1,903,776	\$ 1,063,111	\$ -	\$ 5,526,700
Licenses and permits	314,572	-	-	-	-	314,572
Intergovernmental	457,417	-	-	-	764,461	1,221,878
Fines and forfeits	334,239	-	-	-	-	334,239
Miscellaneous	188,997	4,207	541	2,601	1,256	197,602
Total revenues	<u>1,951,263</u>	<u>1,907,982</u>	<u>1,904,317</u>	<u>1,065,712</u>	<u>765,717</u>	<u>7,594,991</u>
<b>Expenditures:</b>						
Current -						
General government:						
Administrative	650,761	15,939	14,488	8,366	-	689,554
Code department	130,959	-	-	-	-	130,959
Public safety:						
Police	2,172,970	-	-	-	-	2,172,970
Fire	301,504	-	-	-	-	301,504
City Court	177,576	-	-	-	-	177,576
Highways and streets	481,912	-	-	-	-	481,912
Culture and tourism	86,446	-	621,661	-	-	708,107
Capital outlay	522,922	-	-	-	798,856	1,321,778
Debt service -						
Principal retirement	110,846	-	-	-	175,000	285,846
Interest and fiscal charges	10,916	-	-	-	42,927	53,843
Bond issue costs	-	-	-	-	43,594	43,594
Total expenditures	<u>4,646,812</u>	<u>15,939</u>	<u>636,149</u>	<u>8,366</u>	<u>1,060,377</u>	<u>6,367,643</u>
Excess (deficiency) of revenues over expenditures	<u>(2,695,549)</u>	<u>1,892,043</u>	<u>1,268,168</u>	<u>1,057,346</u>	<u>(294,660)</u>	<u>1,227,348</u>
<b>Other financing sources (uses):</b>						
Bond proceeds	-	-	-	-	5,800,000	5,800,000
Transfers in	2,657,000	-	-	-	772,247	3,429,247
Transfers out	-	(1,917,608)	(1,250,000)	(1,721,534)	(1,873,394)	(6,762,536)
Total other financing sources (uses)	<u>2,657,000</u>	<u>(1,917,608)</u>	<u>(1,250,000)</u>	<u>(1,721,534)</u>	<u>4,698,853</u>	<u>2,466,711</u>
Net changes in fund balances	(38,549)	(25,565)	18,168	(664,188)	4,404,193	3,694,059
Fund balances, beginning	<u>173,538</u>	<u>559,843</u>	<u>160,018</u>	<u>1,737,434</u>	<u>720,907</u>	<u>3,351,740</u>
Fund balances, ending	<u>\$ 134,989</u>	<u>\$ 534,278</u>	<u>\$ 178,186</u>	<u>\$ 1,073,246</u>	<u>\$ 5,125,100</u>	<u>\$ 7,045,799</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 of Governmental Funds  
to the Statement of Activities  
For the Year Ended November 30, 2014

Total net changes in fund balances at November 30, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 3,694,059
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 935,961	
Depreciation expense for the year ended November 30, 2014		(670,932)	
Loss on disposal of assets		<u>(41,455)</u>	223,574
Bond proceeds are financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, principal is recorded as expenditures in the repayment of governmental funds but reduce the liability in the statement of net position.			
Bond proceeds		(5,800,000)	
Principal payments		<u>285,846</u>	(5,514,154)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis			(62,092)
Excess of compensated absences used over compensated absences earned			<u>1,203</u>
Total changes in net position at November 30, 2014 per Statement of Activities			<u>\$ (1,657,410)</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 November 30, 2014

ASSETS

Current assets:	
Cash	\$ 182,545
Interest-bearing deposits	66,141
Investments, at cost	520,283
Receivables:	
Accounts	291,704
Unbilled utility receivables	190,155
Due from other funds	121,923
Accrued interest	2,072
Prepaid items	24,504
Total current assets	<u>1,399,327</u>
Noncurrent assets:	
Restricted assets:	
Cash	264,132
Interest-bearing deposits	216,047
Investments, at cost	44,173
Capital assets, net of accumulated depreciation	16,679,181
Total noncurrent assets	<u>17,203,533</u>
Total assets	<u>18,602,860</u>

LIABILITIES

Current liabilities:	
Accounts payable	189,759
Contracts payable	274,198
Retainage payable	39,971
Accrued liabilities	4,288
Due to other funds	100,000
Accrued interest	16,002
Capital lease payable	61,707
Certificates of indebtedness payable	215,000
Total current liabilities	<u>900,925</u>
Noncurrent liabilities:	
Payable from restricted assets -	
Customers' deposits	338,220
Compensated absences payable	60,399
Capital lease payable	155,592
Certificates of indebtedness payable	3,252,000
Total noncurrent liabilities	<u>3,806,211</u>
Total liabilities	<u>4,707,136</u>

NET POSITION

Net investment in capital assets	12,680,713
Restricted for debt service	170,130
Unrestricted	1,044,881
Total net position	<u>\$ 13,895,724</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 Position -  
 Proprietary Fund  
 For the Year Ended November 30, 2014

Operating revenues:	
Charges for services -	
Gas charges	\$ 716,680
Water service charges	1,001,599
Sewer service charges	920,736
Garbage collection	673,314
Penalties, permits and connection fees	77,649
Miscellaneous	73,536
Total operating revenues	<u>3,463,514</u>
Operating expenses:	
Salaries	578,713
Payroll taxes	44,324
Group insurance	70,598
Retirement contribution	48,097
Gas purchased	180,542
Maintenance and supplies	469,603
Chemicals	256,703
Cathodic protection survey	7,084
Garbage collection fees	595,511
Depreciation expense	880,751
Utilities	166,371
Telephone	16,264
Truck operation	56,104
Office supplies and postage	25,660
Bad debts	9,756
Insurance	66,256
Miscellaneous	606
Professional fees	16,735
Uniforms	10,148
Engineering fees	38,659
Travel	3,918
Contractual services	23,255
Meter reader expense	9,875
Backhoe operating lease	15,272
Total operating expenses	<u>3,590,805</u>
Operating loss	<u>(127,291)</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund (Continued)  
For the Year Ended November 30, 2014

Nonoperating revenues (expenses):	
Interest income	6,492
Interest expense	(106,900)
Loss on disposal of fixed assets	(327)
Total nonoperating revenues (expenses)	<u>(100,735)</u>
Loss before contributions and transfers	<u>(228,026)</u>
Capital contributions	<u>458,141</u>
Transfers in:	
Transfer from TIF Sales Tax Fund	1,459,895
Transfer from Capital Projects Fund	1,873,394
Total transfers in	<u>3,333,289</u>
Change in net position	3,563,404
Net position, beginning, as restated	<u>10,332,320</u>
Net position, ending	<u>\$13,895,724</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, 2014

Cash flows from operating activities:	
Receipts from customers	\$ 3,241,776
Payments to suppliers	(1,821,545)
Payments to employees	(673,546)
Other receipts	<u>73,536</u>
Net cash provided by operating activities	<u>820,221</u>
Cash flows from noncapital financing activities:	
Transfers in	3,333,289
Cash received from other funds	<u>(371,993)</u>
Net cash provided by noncapital financing activities	<u>2,961,296</u>
Cash flows from capital and related financing activities:	
Net proceeds from meter deposits applied to bills or refunded	15,940
Proceeds from capital contributions	483,845
Principal paid on capital lease	(60,196)
Principal paid on certificates of indebtedness	(386,000)
Interest paid on certificates of indebtedness and capital lease	(108,681)
Acquisition of property, plant and equipment	<u>(4,004,266)</u>
Net cash used by capital and related financing activities	<u>(4,059,358)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	559,386
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(564,456)
Interest on investments	<u>6,183</u>
Net cash provided by investing activities	<u>1,113</u>
Net decrease in cash and cash equivalents	(276,728)
Cash and cash equivalents, beginning of period	<u>1,005,593</u>
Cash and cash equivalents, end of period	<u>\$ 728,865</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended November 30, 2014

Reconciliation of operating loss to net cash provided by  
 operating activities:

Operating loss	\$ (127,291)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	880,751
Changes in current assets and liabilities:	
Increase in accounts receivable	4,133
Increase in unbilled utility receivables	18,240
Decrease in prepaid items	(162)
Increase in accounts payable	39,845
Increase in accrued liabilities	391
Increase in compensated absences payable	4,314
Net cash provided by operating activities	<u>\$ 820,221</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	\$ 54,720
Cash - restricted	248,248
Interest-bearing deposits - unrestricted	127,382
Interest-bearing deposits - restricted	575,243
Total cash and cash equivalents	<u>1,005,593</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	182,545
Cash - restricted	264,132
Interest-bearing deposits - unrestricted	66,141
Interest-bearing deposits - restricted	216,047
Total cash and cash equivalents	<u>728,865</u>
Net decrease	<u>\$ (276,728)</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. 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.

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

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (City of Carencro) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Based on these criteria, the City includes the component unit detailed below in the financial reporting entity.

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Fund Financial Statements

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

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

1. 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
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds:

General Fund

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

Special Revenue Funds -

1967 Sales Tax Fund

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

1993 Sales Tax Fund

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Taxing Increment Financing (TIF) District Sales Tax Fund

The TIF Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax levied on the businesses located in the I-49 Corridor Economic Development District and is legally restricted to expenditures for economic development projects in the District.

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

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

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

## CITY OF CARENCRO, LOUISIANA

### Notes to Financial Statements (Continued)

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

#### Basis of Accounting

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

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

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

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

##### Cash, interest-bearing deposits, and investments

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

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Interfund receivables and payables

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. 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, 2014. 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.

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

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

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

Restricted Assets

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

Long-term debt

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

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

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

Compensated Absences

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

1-5 years	5 days
6-10 years	10 days
10-20 years	15 days
Over 20 years	20 days

## CITY OF CARENCRO, LOUISIANA

### Notes to Financial Statements (Continued)

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

At November 30, 2014, employees of the City have accumulated and vested \$151,936 of compensated absence benefits. The estimated liabilities include required salary-related payments.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of November 30, 2014.

#### Equity Classifications

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

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

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the City.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the Board of Aldermen may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts.

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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 10
Gas, water and sewer revenue	Debt service and utility operations

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

G. Budget and Budgetary Accounting

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

- 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. As of November 30, 2014, there were no projects paid with borrowings for which interest was capitalized.

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.

(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 direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At November 30, 2014, the City had cash and interest-bearing deposits (book balances) totaling \$7,061,847 as follows:

Demand deposits	\$ 4,825,028
Money market accounts	2,236,819
Total	<u>\$ 7,061,847</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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, 2014, are secured as follows:

Bank balances	<u>\$ 7,270,013</u>
Federal deposit insurance	\$ 339,792
Pledged securities	<u>6,930,221</u>
Total	<u>\$ 7,270,013</u>

Deposits in the amount of \$6,930,221 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

B. Investments

At November 30, 2014, the City had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
			<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
U.S. Treasury Notes	40%	\$ 321,332	\$ -	\$ 266,770	\$ 54,562
Mortgage backed securities	36%	291,493	57,247	160,556	73,690
LAMP	24%	199,867	199,867	-	-
Total	100%	<u>\$ 812,692</u>	<u>\$ 257,114</u>	<u>\$ 427,326</u>	<u>\$ 128,252</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

**Interest Rate Risk** – The City does not have an official policy regarding interest rate risk.

**Credit Risk/Concentration of Credit Risk** – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy limits investments to fully insured and/or fully collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. The Government's investment in U.S. Treasury Notes and mortgage backed securities were rated AAA by Moody at November 30, 2014. More than 5% of the investments above are invested in Federal National Mortgage Association securities and Federal Home Loan Mortgage Corporation securities. These investments represent 75% of the City's total investments.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires all investments to be kept in the City's name and all ownership to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Government. Accordingly, the City had no custodial credit risk related to its investments at November 30, 2014.

LAMP investments:

In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk, and is not in the three categories provided by GASB Codification Section 1150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. Investments in LAMP are not exposed to credit risk and interest rate risk. LAMP has a fund rating of AAAM issued by Standard & Poors. This rating is given to a fund that has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

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. 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. 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.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

In accordance with GASB Statement No. 31, the City recognized the net decrease in the fair value of investments for the year ended November 30, 2014. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at November 30, 2014 is as follows:

Governmental Funds	\$ (5,351)
Proprietary Fund	<u>(22,145)</u>
	<u><u>\$(27,496)</u></u>

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended November 30, 2014, taxes were levied by the City in September 2013 and were billed to the taxpayers by the Assessor in November 2013. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values and determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. City property tax revenues are budgeted in the year billed.

For the year ended November 30, 2014, taxes of 4.60 mills were levied on property with assessed valuations totaling \$45,476,200 and were dedicated to general corporate purposes. Total taxes levied were \$209,191. There was no ad valorem taxes receivable at November 30, 2014.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(4) Receivables

Receivables at November 30, 2014 of \$933,141 consist of the following:

	General	1967 Sales Tax	1993 Sales Tax	TIF Sales Tax	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 291,704	\$ 291,704
Unbilled utility	-	-	-	-	190,155	190,155
Franchise tax	10,534	-	-	-	-	10,534
Sales tax	-	171,561	171,562	84,251	-	427,374
Interest	-	885	-	-	2,072	2,957
Other	10,417	-	-	-	-	10,417
Totals	\$ 20,951	\$ 172,446	\$ 171,562	\$ 84,251	\$ 483,931	\$ 933,141

(5) Due From Other Governmental Agencies

Due from other governmental agencies in the amount of \$246,128 for governmental activities consists of funds due from the State of Louisiana for reimbursement of expenditures incurred and paid on drainage improvement projects.

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2014:

Customers' deposits	\$ 338,220
Revenue bond sinking fund	<u>186,132</u>
	<u>\$ 524,352</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended November 30, 2014 was as follows:

	Balance 12/01/13	Additions	Deletions	Balance 11/30/14
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 886,708	\$ -	\$ -	\$ 886,708
Construction in progress	74,303	592,789	-	667,092
Other capital assets:				
Land improvements	49,217	-	-	49,217
Buildings	5,488,905	71,393	62,950	5,497,348
Infrastructure	6,802,072	-	-	6,802,072
Equipment, furniture and fixtures	1,323,068	99,526	8,179	1,414,415
Vehicles	2,172,518	172,253	178,725	2,166,046
Totals	<u>16,796,791</u>	<u>935,961</u>	<u>249,854</u>	<u>17,482,898</u>
Less accumulated depreciation				
Land improvements	14,027	1,740	-	15,767
Buildings	1,499,674	156,946	35,043	1,621,577
Infrastructure	2,135,830	208,138	-	2,343,968
Equipment, furniture and fixtures	927,579	120,983	8,179	1,040,383
Vehicles	1,462,969	183,125	165,177	1,480,917
Total accumulated depreciation	<u>6,040,079</u>	<u>670,932</u>	<u>208,399</u>	<u>6,502,612</u>
Governmental activities, capital assets, net	<u>\$ 10,756,712</u>	<u>\$ 265,029</u>	<u>\$ 41,455</u>	<u>\$ 10,980,286</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 189,910	\$ 1,841,380	\$ -	\$ 2,031,290
Construction in progress	553,282	2,419,654	281,600	2,691,336
Other capital assets:				
Gas system	1,147,657	-	-	1,147,657
Water system	11,208,351	281,600	-	11,489,951
Sewer system	10,533,102	-	-	10,533,102
Machinery and equipment	1,616,082	57,991	8,460	1,665,613
Totals	<u>25,248,384</u>	<u>4,600,625</u>	<u>290,060</u>	<u>29,558,949</u>
Less accumulated depreciation				
Gas system	988,950	25,263	-	1,014,213
Water system	4,521,140	396,297	-	4,917,437
Sewer system	5,555,508	359,353	-	5,914,861
Machinery and equipment	939,552	99,838	6,133	1,033,257
Total accumulated depreciation	<u>12,005,150</u>	<u>880,751</u>	<u>6,133</u>	<u>12,879,768</u>
Business-type activities, capital assets, net	<u>\$ 13,243,234</u>	<u>\$ 3,719,874</u>	<u>\$ 283,927</u>	<u>\$ 16,679,181</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 84,407
Police	187,218
Fire	142,686
Highways and streets	203,788
Culture and recreation	<u>52,833</u>
Total depreciation expense	<u>\$ 670,932</u>

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

Gas	\$ 56,213
Water	428,245
Sewer	391,301
Sanitation	<u>4,992</u>
Total depreciation expense	<u>\$ 880,751</u>

(8) Accounts and Other Payables

The accounts and other payables consisted of the following at November 30, 2014:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 129,253	\$ 189,759	\$ 319,012
Contracts	67,969	274,198	342,167
Retainage	38,549	39,971	78,520
Customer rental deposits	4,100	-	4,100
Accrued liabilities	<u>34</u>	<u>4,288</u>	<u>4,322</u>
Totals	<u>\$ 239,905</u>	<u>\$ 508,216</u>	<u>\$ 748,121</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended November 30, 2014:

	Governmental Activities		Business-Type Activities	
	General Obligation	Capital Lease	Utility Revenue	Capital Lease
Long-term debt as of December 1, 2013	\$3,206,000	\$ 239,169	\$3,853,000	\$277,495
Additions	5,800,000	-	-	-
Retirements	<u>(175,000)</u>	<u>(110,846)</u>	<u>(386,000)</u>	<u>(60,196)</u>
Long-term debt as of November 1, 2014	<u>\$8,831,000</u>	<u>\$ 128,323</u>	<u>\$3,467,000</u>	<u>\$217,299</u>

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

Long-term debt payable at November 30, 2014 is comprised of the following individual issues:

Governmental activities:

General obligation bonds –

\$1,000,000 Public Improvement Sales Tax Bonds, Series 2011, due in annual installments of \$65,000 to \$100,000 through December 1, 2023; interest at 2.68%; payable from TIF sales tax revenues	\$ 865,000
\$1,025,000 Public Improvement Sales Tax Refunding Bonds, Series 2012, due in annual installments of \$114,000 to \$189,000 through April 1, 2018; interest at 2.05%; payable from 1967 sales tax revenues	736,000
\$1,500,000 Sales Tax Bonds, Series 2013, due in annual installments of \$70,000 to \$1800,000 through December 1, 2022; interest at 1.99%; payable from TIF sales tax revenues	1,430,000
\$5,800,000 Sales Tax Bonds, Series 2014, due in annual installments of \$480,000 to \$640,000 through July 1, 2024; interest at 2.15%; payable from 1967 sales tax revenues	<u>5,800,000</u>
	<u>\$ 8,831,000</u>

Capital lease:

\$233,172 equipment lease dated May 30, 2013 due in monthly installments of \$3,311, including interest at 4.45%, through May 31, 2018, secured by General Fund revenues	<u>\$ 128,323</u>
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Business-Type activities:

Certificates of indebtedness –

\$4,225,000 Refunding Certificates of Indebtedness, Series 2012, due in annual installments of \$94,000 to \$386,000 through April 1, 2029; interest at 2.80 percent; payable from utility fund revenues	<u>\$ 3,467,000</u>
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Capital lease:

\$311,928 equipment lease dated May 17, 2013 due in monthly installments of \$5,533, including interest at 2.48%, through May 17, 2018, secured by Utility Fund revenues	<u>\$ 217,299</u>
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CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The debt as of November 30, 2014 is due as follows:

Year ending November 30,	Governmental Activities		Business-Type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2015	\$ 903,648	\$ 182,298	\$ 276,707	\$ 98,757
2016	978,323	171,869	286,255	91,077
2017	1,008,913	149,884	295,842	83,134
2018	1,008,439	127,539	266,495	75,169
2019	825,000	107,683	251,000	68,138
2020-2024	4,235,000	261,541	1,396,000	228,144
2025-2029	-	-	912,000	45,612
Total	<u>\$8,959,323</u>	<u>\$1,000,814</u>	<u>\$3,684,299</u>	<u>\$ 690,031</u>

The compensated absences payable of \$151,936 is considered to be long-term since it should not be paid within the current year. Of that amount, \$91,537 is applicable to governmental activities and \$60,399 is applicable to business-type activities.

(10) Sales and Use Tax

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro were \$1,903,775 during the year ended November 30, 2014 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 \$1,903,776 during the year ended November 30, 2014 and are dedicated to the following purposes:

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

Proceeds of the TIF District 1% sales and use tax were \$1,063,111 during the year ended November 30, 2014 and are dedicated for financing economic development projects in the I-49 Corridor Economic Development District.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

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

There will also be established and maintained a fund called the "Certificates of Indebtedness (2012) Sinking Fund." The City is required to deposit into the Sinking Fund at least 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, 2014.

(12) On-behalf Payments for Salaries

The City of Carencro receives on-behalf payments from the State of Louisiana for police and fire salaries. On-behalf payments to the City totaled \$159,519 for the fiscal year end November 30, 2014. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(13) 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, 2014, 2013, and 2012 amounted to \$155,596, \$138,725, and \$103,059, respectively.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

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 9.50% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 19.75%. 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, 2014, 2013, and 2012 were \$74,048, \$62,108 and \$57,676, respectively, equal to the required contributions for each year.

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 10.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 31.50% 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, 2014, 2013, and 2012 were \$198,149, \$166,120 and \$134,858, equal to the required contribution for each year.

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 10.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 29.25% 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 contributions to the System for the years ending November 30, 2014, 2013 and 2012 were \$0, \$0, and \$4,091, respectively, equal to the required contribution for each year.

(14) Litigation and Claims

At November 30, 2014, 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.

(15) 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, 2014, the City's natural gas purchases amounted to \$180,344, of which \$26,063 was owed for purchases for the month of November 2014.

(16) 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(17) 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 balance sheet and statement of cash flows is not available for the year ended November 30, 2014. Segment information for the income statement for the year ended November 30, 2014, 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>\$ 741,217</u>	<u>\$ 1,063,331</u>	<u>\$ 981,975</u>	<u>\$ 676,991</u>	<u>\$ 3,463,514</u>
Operating expenses:					
Depreciation	56,213	428,245	391,301	4,992	880,751
Other	<u>608,702</u>	<u>795,698</u>	<u>687,879</u>	<u>617,775</u>	<u>2,710,054</u>
Total operating expenses	<u>664,915</u>	<u>1,223,943</u>	<u>1,079,180</u>	<u>622,767</u>	<u>3,590,805</u>
Operating income (loss)	<u>\$ 76,302</u>	<u>\$ (160,612)</u>	<u>\$ (97,205)</u>	<u>\$ 54,224</u>	<u>\$ (127,291)</u>

(18) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended November 30, 2014 follows:

Glenn Brasseaux, Mayor:

Salary	\$ 69,303
Auto allowance	6,000

Aldermen:

L.J. Boudreaux	8,409
Antoine Babineaux, Jr.	8,409
Alfred Sinegal	8,409
Kim Guidry	8,409
J.L. Richard	8,409
	<u>\$ 117,348</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(19) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2014:

Due to the Utility Fund from the General Fund representing short-term loans	\$ 36,098
Due to the 1967 Sales Tax Fund from the Utility Fund representing short-term loans	100,000
Due to the General Fund from the 1993 Sales Tax Fund for reimbursement of expenditures	20,000
Due to the 2012 Sales Tax Bond Fund from the 1967 Sales Tax Fund representing short-term loans	50,000
Due to the Capital Projects Fund from the 2014 Sales Tax Bond Fund for reimbursement of expenditures	43,594
Due to the Utility Fund from the Capital Projects fund for reimbursement of expenditures	39,628
Due to the Utility Fund from the TIF Sales Tax Fund for reimbursement of expenditures	<u>46,197</u>
Total	<u>\$335,517</u>

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

Due from other funds, Balance Sheet - Governmental Funds	\$ 213,594
Due from other funds, Statement of Net Position - Proprietary Funds	121,923
Due to other funds, Statement of Net Position - Proprietary Funds	(100,000)
Due to other funds, Balance Sheet - Governmental Funds	<u>(235,517)</u>
Total	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

B. Transfers consisted of the following for the year ended November 30, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major funds:		
General Fund	\$2,657,000	\$ -
1967 Sales Tax Special Revenue Fund	-	1,917,608
1993 Sales Tax Special Revenue Fund	-	1,250,000
TIF District Sales Tax Special Revenue Fund	-	1,721,534
Non-major governmental funds:		
2011 Sales Tax Bond Fund	93,182	
2012 Sales Tax Bond Fund	165,267	-
2013 Sales Tax Bond Fund	168,457	-
2014 Sales Tax Bond Fund	259,832	-
Capital Projects Fund	-	1,897,506
Sidewalk Construction Fund	109,621	-
Enterprise Fund		
Utility Fund	<u>3,333,289</u>	-
Total	<u>\$6,786,648</u>	<u>\$6,786,648</u>

C. External transactions consisted of the following for the year ended November 30, 2014

1993 Sales Tax Special Revenue Fund		
Payments to PARC, Inc. to fund culture and recreation activities		\$ (621,661)
2012 Sales Tax Bond Fund		
Revenues from PARC, Inc. to fund a portion of debt service requirements		<u>38,247</u>
		<u>\$ (583,414)</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, (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (c) to account for external transactions between the primary government and its discretely presented component unit which are classified as external transactions in the government-wide statement of activities.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(20) New Accounting Pronouncements

In June 2012, the GASB approved Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by GASB Statement No. 67. The provisions of GASB Statement No. 68 must be implemented by the City for the year ending November 30, 2015. The effect of implementation on the City's financial statements has not yet been determined.

(21) Change in Accounting Principle

During the current fiscal year, the City implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." This standard requires that any debt issuance costs, except any portion related to prepaid insurance costs, be recognized as an expenditure in the current period. As a result of this implementation, in the statement of activities, the beginning net position of the governmental activities in the amount of \$10,620,437, as originally reported, has been decreased by \$53,007 to \$10,567,430. The beginning net position business-type activities and in the statement of revenues, expenses, and changes in fund net position of the Proprietary (Enterprise) Fund in the amount of \$10,399,235, as originally reported, has been decreased by \$66,915 to \$10,332,320.

(22) Subsequent Event Review

The City's management has evaluated subsequent events through May 22, 2015, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

CITY OF CARENCRO, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 564,800	\$ 655,020	\$ 656,038	\$ 1,018
Licenses and permits	372,500	313,161	314,572	1,411
Intergovernmental	426,378	436,650	457,417	20,767
Fines and forfeits	296,200	319,514	334,239	14,725
Miscellaneous	102,450	184,301	188,997	4,696
Total revenues	<u>1,762,328</u>	<u>1,908,646</u>	<u>1,951,263</u>	<u>42,617</u>
<b>Expenditures:</b>				
Current -				
General government:				
Administrative	746,356	653,519	650,761	2,758
Code department	164,648	130,801	130,959	(158)
Public safety:				
Police	2,169,769	2,192,163	2,172,970	19,193
Fire	239,315	251,542	301,504	(49,962)
City court	111,500	174,054	177,576	(3,522)
Highways and streets	452,161	433,564	481,912	(48,348)
Culture and tourism	73,736	82,030	86,446	(4,416)
Capital outlay	339,163	525,418	522,922	2,496
Debt service-				
Principal retirement	110,768	110,838	110,846	(8)
Interest and fiscal charges	13,986	10,916	10,916	-
Total expenditures	<u>4,421,402</u>	<u>4,564,845</u>	<u>4,646,812</u>	<u>(81,967)</u>
Deficiency of revenues over expenditures	<u>(2,659,074)</u>	<u>(2,656,199)</u>	<u>(2,695,549)</u>	<u>(39,350)</u>
<b>Other financing sources:</b>				
Transfers from -				
1967 Sales Tax Fund	1,510,000	1,407,000	1,407,000	-
1993 Sales Tax Fund	1,150,000	1,250,000	1,250,000	-
Total other financing sources	<u>2,660,000</u>	<u>2,657,000</u>	<u>2,657,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	926	801	(38,549)	(39,350)
Fund balance, beginning	<u>173,538</u>	<u>173,538</u>	<u>173,538</u>	<u>-</u>
Fund balance, ending	<u>\$ 174,464</u>	<u>\$ 174,339</u>	<u>\$ 134,989</u>	<u>\$(39,350)</u>

CITY OF CARENCRO, LOUISIANA  
1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$1,750,000	\$1,898,044	\$1,903,775	\$ 5,731
Miscellaneous - interest	450	1,796	4,207	2,411
Total revenues	<u>1,750,450</u>	<u>1,899,840</u>	<u>1,907,982</u>	<u>8,142</u>
<b>Expenditures:</b>				
Current -				
General government	<u>15,350</u>	<u>15,815</u>	<u>15,939</u>	<u>(124)</u>
Excess of revenues over expenditures	1,735,100	1,884,025	1,892,043	8,018
<b>Other financing uses:</b>				
Transfers out	<u>(1,950,785)</u>	<u>(1,917,608)</u>	<u>(1,917,608)</u>	<u>-</u>
Deficiency of revenues over expenditures and other financing uses	(215,685)	(33,583)	(25,565)	8,018
Fund balances, beginning	<u>559,843</u>	<u>559,843</u>	<u>559,843</u>	<u>-</u>
Fund balances, ending	<u>\$ 344,158</u>	<u>\$ 526,260</u>	<u>\$ 534,278</u>	<u>\$ 8,018</u>

CITY OF CARENCRO, LOUISIANA  
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,750,000	\$ 1,898,044	\$ 1,903,776	\$ 5,732
Miscellaneous	450	478	541	63
Total revenues	<u>1,750,450</u>	<u>1,898,522</u>	<u>1,904,317</u>	<u>5,795</u>
Expenditures:				
Current:				
General government	15,350	14,715	14,488	227
Culture and recreation	<u>575,000</u>	<u>625,000</u>	<u>621,661</u>	<u>3,339</u>
Total expenditures	<u>590,350</u>	<u>639,715</u>	<u>636,149</u>	<u>3,566</u>
Excess of revenues over expenditures	1,160,100	1,258,807	1,268,168	9,361
Other financing use:				
Transfer to General Fund	<u>(1,150,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>-</u>
Excess of revenues over expenditures and other financing use	10,100	8,807	18,168	9,361
Fund balances, beginning	<u>160,018</u>	<u>160,018</u>	<u>160,018</u>	<u>-</u>
Fund balances, ending	<u>\$ 170,118</u>	<u>\$ 168,825</u>	<u>\$ 178,186</u>	<u>\$ 9,361</u>

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

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 900,000	\$ 1,082,335	\$ 1,063,111	\$ (19,224)
Donation	-	-	340	340
Miscellaneous	<u>2,950</u>	<u>2,721</u>	<u>2,261</u>	<u>(460)</u>
Total revenues	902,950	1,085,056	1,065,712	(19,344)
<b>Expenditures:</b>				
<b>Current:</b>				
General government	<u>6,050</u>	<u>8,860</u>	<u>8,366</u>	<u>494</u>
Excess of revenues over expenditures	896,900	1,076,196	1,057,346	(18,850)
<b>Other financing uses:</b>				
Transfers out	<u>(1,721,778)</u>	<u>(1,721,778)</u>	<u>(1,721,534)</u>	<u>244</u>
Deficiency of revenues over expenditures and other uses	(824,878)	(645,582)	(664,188)	(18,606)
Fund balances, beginning	<u>1,737,434</u>	<u>1,737,434</u>	<u>1,737,434</u>	<u>-</u>
Fund balances, ending	<u>\$ 912,556</u>	<u>\$ 1,091,852</u>	<u>\$ 1,073,246</u>	<u>\$ (18,606)</u>

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF CARENCRO, LOUISIANA

Statement of Net Position  
 November 30, 2014  
 With Comparative Totals as of November 30, 2013

	2014			2013 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 6,332,982	\$ 248,686	\$ 6,581,668	\$ 2,651,218
Investments	248,236	520,283	768,519	761,297
Receivables, net	449,210	483,931	933,141	911,120
Internal balances	(21,923)	21,923	-	-
Due from other governmental agencies	246,128	-	246,128	25,704
Prepaid items	31,071	24,504	55,575	51,837
Total current assets	<u>7,285,704</u>	<u>1,299,327</u>	<u>8,585,031</u>	<u>4,401,176</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	480,179	480,179	823,491
Investments	-	44,173	44,173	44,162
Capital assets, net	10,980,286	16,679,181	27,659,467	23,999,946
Total noncurrent assets	<u>10,980,286</u>	<u>17,203,533</u>	<u>28,183,819</u>	<u>24,867,599</u>
Total assets	<u>18,265,990</u>	<u>18,502,860</u>	<u>36,768,850</u>	<u>29,268,775</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables	239,905	508,216	748,121	301,360
Capital lease payable	34,648	61,707	96,355	165,891
Bonds and certificates of indebtedness payable	869,000	215,000	1,084,000	561,000
Accrued interest	65,205	16,002	81,207	20,896
Total current liabilities	<u>1,208,758</u>	<u>800,925</u>	<u>2,009,683</u>	<u>1,049,147</u>
Noncurrent liabilities:				
Customers deposits payable	-	338,220	338,220	322,280
Capital lease payable	93,675	155,592	249,267	350,773
Compensated absences payable	91,537	60,399	151,936	148,825
Bonds and certificates of indebtedness payable	7,962,000	3,252,000	11,214,000	6,498,000
Total noncurrent liabilities	<u>8,147,212</u>	<u>3,806,211</u>	<u>11,953,423</u>	<u>7,319,878</u>
Total liabilities	<u>9,355,970</u>	<u>4,607,136</u>	<u>13,963,106</u>	<u>8,369,025</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,160,573	12,680,713	14,841,286	16,448,576
Restricted for debt service	1,054,732	170,130	1,224,862	1,136,477
Unrestricted	5,694,715	1,044,881	6,739,596	3,314,697
Total net position	<u>\$ 8,910,020</u>	<u>\$ 13,895,724</u>	<u>\$ 22,805,744</u>	<u>\$ 20,899,750</u>

CITY OF CARENCRO, LOUISIANA

Balance Sheet

General and Special Revenue Funds

November 30, 2014

With Comparative Totals as of November 30, 2013

	General		1967 Sales Tax Special Revenue		1993 Sales Tax Special Revenue		TIF District Sales Tax Special Revenue	
	2014	2013	2014	2013	2014	2013	2014	2013
	<b>ASSETS</b>							
Cash	\$ 208,847	\$ 379,500	\$ 108,678	\$ 21,769	\$ -	\$ -	\$ -	\$ -
Interest-bearing deposits	23,984	23,952	20,800	20,777	26,819	39,798	1,072,972	1,590,110
Investments	-	-	182,549	180,402	-	-	-	-
Receivables:								
Taxes	10,534	10,333	171,561	139,390	171,562	139,390	84,251	84,089
Due from other funds	20,000	25,155	100,000	297,000	-	-	-	78,400
Accrued interest	-	-	885	673	-	-	-	-
Other	10,417	31,250	-	-	-	-	-	-
Prepaid items	31,071	27,495	-	-	-	-	-	-
Total assets	<u>\$ 304,853</u>	<u>\$ 497,685</u>	<u>\$ 584,473</u>	<u>\$ 660,011</u>	<u>\$ 198,381</u>	<u>\$ 179,188</u>	<u>\$ 1,157,223</u>	<u>\$ 1,752,599</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 117,271	\$ 124,313	\$ 195	\$ 168	\$ 195	\$ 170	\$ 11,592	\$ 5,863
Retainage payable	12,361	-	-	-	-	-	26,188	9,302
Customer rental deposits	4,100	2,800	-	-	-	-	-	-
Accrued liabilities	34	34	-	-	-	-	-	-
Due to other funds	36,098	197,000	50,000	100,000	20,000	19,000	46,197	-
Total liabilities	<u>169,864</u>	<u>324,147</u>	<u>50,195</u>	<u>100,168</u>	<u>20,195</u>	<u>19,170</u>	<u>83,977</u>	<u>15,165</u>
Fund balances -								
Nonspendable - prepaid items	31,071	27,495	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	534,278	559,843	178,186	160,018	1,073,246	1,737,434
Unassigned	103,918	146,043	-	-	-	-	-	-
Total fund balances	<u>134,989</u>	<u>173,538</u>	<u>534,278</u>	<u>559,843</u>	<u>178,186</u>	<u>160,018</u>	<u>1,073,246</u>	<u>1,737,434</u>
Total liabilities and fund balances	<u>\$ 304,853</u>	<u>\$ 497,685</u>	<u>\$ 584,473</u>	<u>\$ 660,011</u>	<u>\$ 198,381</u>	<u>\$ 179,188</u>	<u>\$ 1,157,223</u>	<u>\$ 1,752,599</u>

CITY OF CARENCRO, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Actual	Variance with Final Budget Positive (Negative)	2013 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem	\$ 195,000	\$ 202,287	\$ 200,870	\$ (1,417)	\$ 190,553
Franchise -					
Electric	318,800	397,727	399,802	2,075	356,315
Cable TV and gas	51,000	55,006	55,366	360	51,267
Total taxes	<u>564,800</u>	<u>655,020</u>	<u>656,038</u>	<u>1,018</u>	<u>598,135</u>
Licenses and permits:					
Occupational licenses	222,500	209,202	209,654	452	216,564
Code department permits	150,000	103,959	104,918	959	141,928
Total licenses and permits	<u>372,500</u>	<u>313,161</u>	<u>314,572</u>	<u>1,411</u>	<u>358,492</u>
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt. Assistance	-	-	-	-	28,191
State of Louisiana -					
Department of Transportation and Development	20,715	20,715	20,715	-	20,715
Beer taxes	14,750	13,923	14,234	311	15,037
On-behalf payments	155,000	139,663	159,519	19,856	141,807
State grants	5,913	4,590	5,190	600	48,161
Lafayette Parish Government -					
Two percent fire insurance refund	65,000	82,759	82,759	-	73,422
Proceeds for fire department	40,000	50,000	50,000	-	50,000
Lafayette Parish School Board - resource officer	125,000	125,000	125,000	-	106,250
Total intergovernmental	<u>426,378</u>	<u>436,650</u>	<u>457,417</u>	<u>20,767</u>	<u>483,583</u>
Fines and forfeits:					
Fines and court costs	97,200	106,557	127,161	20,604	94,837
Police special detail and accident reports	199,000	212,957	207,078	(5,879)	122,229
Total fines, forfeits, etc.	<u>296,200</u>	<u>319,514</u>	<u>334,239</u>	<u>14,725</u>	<u>217,066</u>
Miscellaneous:					
Interest	450	196	225	29	356
Community Center rentals	40,000	36,620	38,890	2,270	39,610
Donations	60,000	100,950	111,150	10,200	5,800
Insurance proceeds	-	35,000	35,350	350	-
Other sources	2,000	11,535	3,382	(8,153)	2,015
Total miscellaneous	<u>102,450</u>	<u>184,301</u>	<u>188,997</u>	<u>4,696</u>	<u>47,781</u>
Total revenues	<u>\$ 1,762,328</u>	<u>\$ 1,908,646</u>	<u>\$ 1,951,263</u>	<u>\$ 42,617</u>	<u>\$ 1,705,057</u>

CITY OF CARENCRO, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Current:</b>					
<b>General government -</b>					
<b>Administrative:</b>					
Mayor and council salaries	\$ 116,625	\$ 117,347	\$ 117,348	\$ (1)	\$ 112,046
Other salaries and wages	61,773	60,900	60,900	-	58,000
Retirement	11,393	11,806	11,731	75	10,357
Group insurance	7,040	6,731	6,947	(216)	6,530
Payroll taxes	10,000	8,962	8,962	-	8,584
Insurance	34,725	42,601	42,688	(87)	36,915
Office	26,000	19,611	25,182	(5,571)	27,098
Advertisements and recordings	8,000	8,448	9,280	(832)	6,928
Dues	3,100	2,472	2,969	(497)	1,900
Legal fees	70,000	79,834	85,143	(5,309)	80,644
Professional fees	18,000	18,000	18,045	(45)	17,920
Engineering	225,000	124,211	150,730	(26,519)	183,067
Travel and conferences	10,000	9,922	12,981	(3,059)	14,643
Gas and repairs	3,100	2,856	3,518	(662)	3,141
Auto allowance	7,200	7,200	7,200	-	7,200
Utilities and telephone	14,600	15,392	14,470	922	13,961
Rent	6,000	6,000	6,000	-	6,000
Repairs and maintenance	96,500	94,682	39,002	55,680	84,911
Senior citizens' compensation	9,000	8,848	7,350	1,498	8,921
Uniforms	2,000	4,090	3,511	579	2,581
Miscellaneous	6,300	3,606	16,804	(13,198)	6,498
<b>Total administrative</b>	<u>746,356</u>	<u>653,519</u>	<u>650,761</u>	<u>2,758</u>	<u>697,845</u>
<b>Code department:</b>					
Salaries	45,353	45,353	40,258	5,095	41,480
Retirement	3,968	4,112	4,086	26	3,607
Group insurance	4,706	4,506	4,650	(144)	4,373
Payroll taxes	3,469	3,241	3,240	1	3,084
Insurance	1,752	1,658	1,662	(4)	1,855
Inspection fees	100,000	68,577	73,873	(5,296)	103,897
Miscellaneous	5,400	3,354	3,190	164	3,539
<b>Total code department</b>	<u>164,648</u>	<u>130,801</u>	<u>130,959</u>	<u>(158)</u>	<u>161,835</u>
<b>Total general government</b>	<u>911,004</u>	<u>784,320</u>	<u>781,720</u>	<u>2,600</u>	<u>859,680</u>

(continued)

CITY OF CARENCRO, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Public safety:					
Police department -					
Salaries	1,206,644	1,238,254	1,239,262	(1,008)	1,078,554
Retirement	183,204	199,475	198,208	1,267	165,824
Group insurance	140,031	155,073	160,040	(4,967)	131,972
Payroll taxes	91,427	83,844	82,780	1,064	71,470
Insurance	132,550	131,740	132,022	(282)	150,335
Gas and repairs	208,000	197,044	205,972	(8,928)	194,970
Equipment expenditures	39,000	32,989	20,555	12,434	36,671
Maintenance	20,700	36,783	24,531	12,252	19,947
Utilities and telephone	23,100	19,640	19,338	302	20,279
Auto allowance	14,400	14,400	14,400	-	12,000
Legal fees	7,600	488	1,263	(775)	5,840
Miscellaneous	3,400	2,053	3,171	(1,118)	4,272
Supplies	22,000	18,111	17,981	130	19,817
Office supplies	16,800	11,464	10,379	1,085	13,966
Grant expenditures	5,913	6,450	8,310	(1,860)	6,830
Police special account expenditures	-	-	-	-	-
Radio user fees	9,000	-	-	-	7,070
Uniforms	10,000	15,249	15,740	(491)	11,361
Training	18,000	10,200	11,716	(1,516)	17,426
Drug task force expenditures	16,500	17,862	5,961	11,901	1,857
Drug testing	1,500	1,044	1,341	(297)	654
Total police department	<u>2,169,769</u>	<u>2,192,163</u>	<u>2,172,970</u>	<u>19,193</u>	<u>1,971,115</u>
Fire department -					
Salaries	83,072	93,375	97,606	(4,231)	68,895
Group insurance	9,412	7,279	7,512	(233)	6,325
Payroll taxes	6,432	7,168	7,458	(290)	5,362
Insurance	29,249	49,785	49,892	(107)	30,966
Maintenance and supplies	26,500	18,548	22,262	(3,714)	29,857
Auto	40,000	36,124	49,620	(13,496)	29,303
Utilities and telephone	17,700	18,891	18,372	519	17,356
Equipment expenditures	12,000	7,665	32,548	(24,883)	4,171
Miscellaneous	4,450	3,515	6,354	(2,839)	3,508
Training	3,000	1,113	2,401	(1,288)	831
Radio user fees	4,500	4,790	2,775	2,015	4,080
Uniforms	3,000	3,289	4,704	(1,415)	2,503
Total fire department	<u>239,315</u>	<u>251,542</u>	<u>301,504</u>	<u>(49,962)</u>	<u>203,157</u>

(continued)

CITY OF CARENCRO, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014				
	Budget		Actual	Variance with	2013 Actual
	Original	Final		Final Budget Positive (Negative)	
<b>City Court department -</b>					
City magistrate	10,000	8,552	10,132	(1,580)	9,308
Other salaries	3,000	4,026	4,008	18	3,358
Legal fees	4,500	5,569	7,013	(1,444)	6,888
Fine fees	55,000	90,426	89,484	942	55,317
Forfeits and seizures	-	-	-	-	124
Traffic detail expenditures	39,000	65,481	66,939	(1,458)	36,407
Total city court department	<u>111,500</u>	<u>174,054</u>	<u>177,576</u>	<u>(3,522)</u>	<u>111,402</u>
Total public safety	<u>2,520,584</u>	<u>2,617,759</u>	<u>2,652,050</u>	<u>(34,291)</u>	<u>2,285,674</u>
<b>Highways and streets:</b>					
Salaries	128,842	105,865	111,402	(5,537)	117,023
Retirement	11,274	10,031	9,967	64	9,694
Group insurance	27,837	20,251	20,900	(649)	22,767
Payroll taxes	9,856	7,387	7,776	(389)	8,162
Insurance	24,037	18,239	18,278	(39)	25,448
Maintenance and supplies	39,000	42,350	52,903	(10,553)	41,128
Engineering	-	34,000	56,967	(22,967)	518
Street equipment repairs and maintenance	40,000	17,093	22,638	(5,545)	44,920
Lighting	97,000	100,010	100,420	(410)	97,108
Dumping fees	500	-	-	-	180
Inmate labor	50,815	49,623	48,785	838	46,431
Auto	15,000	16,848	20,653	(3,805)	17,571
Training	1,000	-	-	-	1,500
Uniforms	4,500	4,589	3,945	644	4,187
Christmas decorations and lights	2,000	7,278	7,278	-	3,009
Miscellaneous	500	-	-	-	-
Total highways and streets	<u>452,161</u>	<u>433,564</u>	<u>481,912</u>	<u>(48,348)</u>	<u>439,646</u>
<b>Culture and tourism -</b>					
Main street project, parades, and events, Congres Mondial, etc.	9,000	14,720	14,721	(1)	7,804
<b>Community Center:</b>					
Salaries	7,000	4,386	5,084	(698)	5,192
Payroll taxes	536	336	390	(54)	398
Insurance	10,750	10,334	10,356	(22)	11,314
Equipment and supplies	12,600	18,880	22,618	(3,738)	15,096
Janitorial services	20,500	20,500	20,500	-	18,250
Utilities and telephone	9,350	12,874	12,777	97	9,713
Total community center	<u>60,736</u>	<u>67,310</u>	<u>71,725</u>	<u>(4,415)</u>	<u>59,963</u>
<b>Economic development:</b>					
Travel and tourism promotions	4,000	-	-	-	497
Total culture and tourism	<u>73,736</u>	<u>82,030</u>	<u>86,446</u>	<u>(4,416)</u>	<u>68,264</u>

(continued)

CITY OF CARENCRO, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Capital outlay:</b>					
<b>General government -</b>					
FEMA reimbursement	-	-	-	-	12,722
Autos	27,571	27,571	27,571	-	-
Veterans Memorial project	125,000	176,107	174,338	1,769	2,680
Equipment	10,000	89,200	87,694	1,506	30,749
Total general government	<u>162,571</u>	<u>292,878</u>	<u>289,603</u>	<u>3,275</u>	<u>46,151</u>
<b>Public safety:</b>					
<b>Police -</b>					
Autos	51,592	112,779	111,033	1,746	95,952
Computer and terminal server	30,000	25,000	25,000	-	-
Auto equipment	67,000	42,295	42,831	(536)	46,795
Total police	<u>148,592</u>	<u>180,074</u>	<u>178,864</u>	<u>1,210</u>	<u>142,747</u>
<b>Fire -</b>					
Furniture and fixtures	15,000	7,353	7,656	(303)	-
Equipment	3,000	35,000	35,488	(488)	74,324
Total fire	<u>18,000</u>	<u>42,353</u>	<u>43,144</u>	<u>(791)</u>	<u>74,324</u>
<b>Highways and streets:</b>					
Street sweeper	-	-	-	-	177,500
<b>Culture and recreation:</b>					
Community Center -					
Equipment	10,000	10,113	11,311	(1,198)	-
Total capital outlay	<u>339,163</u>	<u>525,418</u>	<u>522,922</u>	<u>3,694</u>	<u>440,722</u>
<b>Debt service:</b>					
Principal retirement	110,768	110,838	110,846	(8)	89,478
Interest and fiscal charges	13,986	10,916	10,916	-	12,412
Total debt service	<u>124,754</u>	<u>121,754</u>	<u>121,762</u>	<u>(8)</u>	<u>101,890</u>
Total expenditures	<u>\$4,421,402</u>	<u>\$4,564,845</u>	<u>\$4,646,812</u>	<u>\$ (80,769)</u>	<u>\$4,195,876</u>

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

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Actual	Variance with Final Budget Positive (Negative)	2013 Actual
	Budget				
	Original	Final			
<b>Revenues:</b>					
Taxes	\$1,750,000	\$1,898,044	\$1,903,775	\$ 5,731	\$1,708,780
Miscellaneous - interest	450	1,796	4,207	2,411	(855)
Total revenues	<u>1,750,450</u>	<u>1,899,840</u>	<u>1,907,982</u>	<u>8,142</u>	<u>1,707,925</u>
<b>Expenditures:</b>					
Current -					
General government:					
Collection fees	7,850	7,215	6,823	392	6,530
Professional fees	7,500	7,200	7,765	(565)	7,055
Office expenditures	-	1,400	1,351	49	1,356
Total expenditures	<u>15,350</u>	<u>15,815</u>	<u>15,939</u>	<u>(124)</u>	<u>14,941</u>
Excess of revenues over expenditures	<u>1,735,100</u>	<u>1,884,025</u>	<u>1,892,043</u>	<u>8,018</u>	<u>1,692,984</u>
<b>Other financing uses:</b>					
Transfers to -					
General Fund	(1,510,000)	(1,407,000)	(1,407,000)	-	(1,220,000)
2012 Sales Tax Bond Fund	(184,072)	(165,267)	(165,267)	-	(180,727)
2014 Sales Tax Bond Fund	-	(259,832)	(259,832)	-	-
Street and Sidewalk Fund	-	(85,509)	(85,509)	-	(149,825)
Capital Projects Fund	(256,713)	-	-	-	-
Total other financing uses	<u>(1,950,785)</u>	<u>(1,917,608)</u>	<u>(1,917,608)</u>	<u>-</u>	<u>(1,550,552)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(215,685)	(33,583)	(25,565)	8,018	142,432
Fund balance, beginning	<u>559,843</u>	<u>559,843</u>	<u>559,843</u>	<u>-</u>	<u>417,411</u>
Fund balance, ending	<u>\$ 344,158</u>	<u>\$ 526,260</u>	<u>\$ 534,278</u>	<u>\$ 8,018</u>	<u>\$ 559,843</u>

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

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 1,750,000	\$ 1,898,044	\$ 1,903,776	\$ 5,732	\$ 1,708,822
Miscellaneous - interest	450	478	541	63	418
<b>Total revenues</b>	<u>1,750,450</u>	<u>1,898,522</u>	<u>1,904,317</u>	<u>5,795</u>	<u>1,709,240</u>
<b>Expenditures:</b>					
<b>Current -</b>					
<b>General government:</b>					
Collection fees	7,850	7,215	6,823	392	6,530
Professional fees	<u>7,500</u>	<u>7,500</u>	<u>7,665</u>	<u>(165)</u>	<u>7,055</u>
<b>Total general government</b>	15,350	14,715	14,488	227	13,585
<b>Culture and recreation</b>	<u>575,000</u>	<u>625,000</u>	<u>621,661</u>	<u>3,339</u>	<u>566,518</u>
<b>Total expenditures</b>	<u>590,350</u>	<u>639,715</u>	<u>636,149</u>	<u>3,566</u>	<u>580,103</u>
<b>Excess of revenues     over expenditures</b>	1,160,100	1,258,807	1,268,168	9,361	1,129,137
<b>Other financing use -</b>					
Transfer to General Fund	<u>(1,150,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>-</u>	<u>(1,128,000)</u>
<b>Excess of revenues     over expenditures     and other use</b>	10,100	8,807	18,168	9,361	1,137
<b>Fund balance, beginning</b>	<u>160,018</u>	<u>160,018</u>	<u>160,018</u>	<u>-</u>	<u>158,881</u>
<b>Fund balance, ending</b>	<u>\$ 170,118</u>	<u>\$ 168,825</u>	<u>\$ 178,186</u>	<u>\$ 9,361</u>	<u>\$ 160,018</u>

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

Budgetary Comparison Schedule  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 900,000	\$ 1,082,335	\$ 1,063,111	\$ (19,224)	\$ 858,670
Donation	-	-	340	340	11,004
Miscellaneous - interest	<u>2,950</u>	<u>2,721</u>	<u>2,261</u>	<u>(460)</u>	<u>2,531</u>
Total revenues	<u>902,950</u>	<u>1,085,056</u>	<u>1,065,712</u>	<u>(19,344)</u>	<u>872,205</u>
<b>Expenditures:</b>					
Current -					
General government:					
Collection fees	4,050	4,137	3,803	334	3,298
Professional fees	<u>2,000</u>	<u>4,723</u>	<u>4,563</u>	<u>160</u>	<u>2,115</u>
Total general government	6,050	8,860	8,366	494	5,413
Capital outlay	-	-	-	-	680,652
Debt service					
Bond issue costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,389</u>
Total expenditures	<u>6,050</u>	<u>8,860</u>	<u>8,366</u>	<u>494</u>	<u>709,454</u>
Excess of revenues over expenditures	<u>896,900</u>	<u>1,076,196</u>	<u>1,057,346</u>	<u>(18,850)</u>	<u>162,751</u>
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	-	1,500,000
Transfer to 2011 Certificates of Indebtedness	(93,182)	(93,182)	(93,182)	-	(95,058)
Transfer to 2013 Sales Tax Bond Fund	(168,457)	(168,457)	(168,457)	-	(85,174)
Transfer to Utility Fund	<u>(1,460,139)</u>	<u>(1,460,139)</u>	<u>(1,459,895)</u>	<u>244</u>	<u>(545,493)</u>
Total other financing sources (uses)	<u>(1,721,778)</u>	<u>(1,721,778)</u>	<u>(1,721,534)</u>	<u>244</u>	<u>774,275</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(824,878)	(645,582)	(664,188)	(18,606)	937,026
Fund balance, beginning	<u>1,737,434</u>	<u>1,737,434</u>	<u>1,737,434</u>	<u>-</u>	<u>800,408</u>
Fund balance, ending	<u>\$ 912,556</u>	<u>\$ 1,091,852</u>	<u>\$ 1,073,246</u>	<u>\$ (18,606)</u>	<u>\$ 1,737,434</u>

CITY OF CARENCRO, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
November 30, 2014  
With Comparative Totals as of November 30, 2013

	2011	2012	2013	2014	Sidewalk Construction Fund	LCDBG 2009 Sewer Improvements Fund	Capital Projects Fund	Totals	
Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund				2014	2013
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 3,844,513	\$ 3,844,539	\$ 46,725
Interest-bearing deposits, at cost	81,896	474,176	253,985	216,286	-	-	-	1,026,343	346,485
Investments, at cost	-	-	-	-	65,687	-	-	65,687	65,671
Receivables:									
Due from other funds	-	50,000	-	43,594	-	-	-	93,594	343,915
Due from other governmental agencies	-	-	-	-	-	-	246,128	246,128	-
<b>TOTAL ASSETS</b>	<b><u>\$ 81,896</u></b>	<b><u>\$ 524,176</u></b>	<b><u>\$ 253,985</u></b>	<b><u>\$ 259,880</u></b>	<b><u>\$ 65,687</u></b>	<b><u>\$ 26</u></b>	<b><u>\$ 4,090,641</u></b>	<b><u>\$ 5,276,291</u></b>	<b><u>\$ 802,796</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Contracts payable	\$ -	\$ -	\$ -	\$ -	\$ 13,806	\$ -	\$ 54,163	\$ 67,969	\$ 3,489
Due to other funds	-	-	-	-	-	-	83,222	83,222	78,400
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,806</b>	<b>-</b>	<b>137,385</b>	<b>151,191</b>	<b>81,889</b>
Fund balances:									
Restricted - debt service	81,896	524,176	253,985	259,880	-	-	-	1,119,937	612,000
Assigned - capital projects	-	-	-	-	51,881	26	3,953,256	4,005,163	108,907
<b>Total fund balances</b>	<b><u>81,896</u></b>	<b><u>524,176</u></b>	<b><u>253,985</u></b>	<b><u>259,880</u></b>	<b><u>51,881</u></b>	<b><u>26</u></b>	<b><u>3,953,256</u></b>	<b><u>5,125,100</u></b>	<b><u>720,907</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 81,896</u></b>	<b><u>\$ 524,176</u></b>	<b><u>\$ 253,985</u></b>	<b><u>\$ 259,880</u></b>	<b><u>\$ 65,687</u></b>	<b><u>\$ 26</u></b>	<b><u>\$ 4,090,641</u></b>	<b><u>\$ 5,276,291</u></b>	<b><u>\$ 802,796</u></b>

CITY OF CARENCRO, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended November 30, 2014  
With Comparative Actual Amounts for the Year Ended November 30, 2013

	2011	2012	2013	2014	Sidewalk Construction Fund	LCDBG 2009	Capital Projects Fund	Totals	
	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund		Sewer Improvements Fund		2014	2013
<b>Revenues:</b>									
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,670
State grants	-	-	-	-	-	-	726,214	726,214	40,358
Local sources	-	38,247	-	-	-	-	-	38,247	31,550
Miscellaneous	133	504	194	48	16	-	361	1,256	1,138
Total revenues	133	38,751	194	48	16	-	726,575	765,717	116,716
<b>Expenditures:</b>									
Capital outlay	-	-	-	-	119,938	-	678,918	798,856	344,233
Debt service -									
Principal retirement	-	175,000	-	-	-	-	-	175,000	319,000
Interest and fiscal charges	11,591	16,882	14,454	-	-	-	-	42,927	73,709
Bond issue costs	-	-	-	-	-	-	43,594	43,594	-
Total expenditures	11,591	191,882	14,454	-	119,938	-	722,512	1,060,377	736,942
Excess (deficiency) of revenues over expenditures	(11,458)	(153,131)	(14,260)	48	(119,922)	-	4,063	(294,660)	(620,226)
<b>Other financing sources (uses):</b>									
Bond proceeds	-	-	-	-	-	-	5,800,000	5,800,000	-
Transfer from 1967 Sales Tax Fund	-	165,267	-	259,832	85,509	-	-	510,608	330,552
Transfer from TIF Sales Tax Fund	93,182	-	168,457	-	-	-	-	261,639	180,232
Transfers from (to) Utility Fund	-	-	-	-	-	-	(1,873,394)	(1,873,394)	250
Transfer from (to) Capital Projects Fund	-	-	-	-	24,112	-	(24,112)	-	-
Total other financing sources (uses)	93,182	165,267	168,457	259,832	109,621	-	3,902,494	4,698,853	511,034
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	81,724	12,136	154,197	259,880	(10,301)	-	3,906,557	4,404,193	(109,192)
Fund balances, beginning	172	512,040	99,788	-	62,182	26	46,699	720,907	830,099
Fund balances, ending	\$ 81,896	\$ 524,176	\$ 253,985	\$ 259,880	\$ 51,881	\$ 26	\$ 3,953,256	\$ 5,125,100	\$ 720,907

## **NONMAJOR DEBT SERVICE FUNDS**

### **2011 Sales Tax Bond Fund -**

To accumulate monies for payment of the \$1,000,000 Public Improvement Sales Tax Bonds, Series 2011, which are due in annual installments, plus interest, through maturity in 2023. Debt service is financed by transfers from proceeds of the City's TIF District 1% sales and use tax.

### **2012 Sales Tax Bond Fund -**

To accumulate monies for payment of the \$1,025,000 Public Improvement Sales Tax Bonds, Series 2012, which are due in annual installments, plus interest, through maturity in 2018. Debt service is financed by transfers from the Park and Recreation Commission, Inc.'s share of the 1993 1% sales and use tax and from proceeds of the City's 1967 1% sales and use tax.

### **2013 Sales Tax Bond Fund -**

To accumulate monies for payment of the \$1,500,000 Certificates of Indebtedness, Series 2013, due in annual installments, plus interest through maturity in 2023. Debt service is financed from proceeds of the City's TIF District 1% sales and use tax.

### **2014 Sales Tax Bond Fund -**

To accumulate monies for payment of the \$5,800,000 Sales Tax Bonds, Series 2014, due in annual installments, plus interest through maturity in 2024. Debt service is financed by transfers from proceeds of the City's 1967 1% sales and use tax.

CITY OF CARENCRO, LOUISIANA  
 Nonmajor Debt Service Fund  
 2011 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 For the Year Ended November 30, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 57	\$ 133	\$ 76	\$ 140
Expenditures:				
Debt service -				
Principal retirement	-	-	-	135,000
Interest and fiscal charges	11,591	11,591	-	38,458
Total expenditures	11,591	11,591	-	173,458
Deficiency of revenues over expenditures	(11,534)	(11,458)	76	(173,318)
Other financing sources:				
Transfers from TIF Sales Tax Fund	93,182	93,182	-	95,058
Excess (deficiency) of revenues and other financing sources over expenditures	81,648	81,724	76	(78,260)
Fund balance, beginning	172	172	-	78,432
Fund balance, ending	\$ 81,820	\$ 81,896	\$ 76	\$ 172

CITY OF CARENCRO, LOUISIANA  
 Nonmajor Debt Service Fund  
 2012 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended November 30, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Revenues:</b>				
Intergovernmental:				
Local contribution - PARC, Inc.	\$ 38,247	\$ 38,247	\$ -	\$ 31,550
Other sources:				
Miscellaneous - interest	506	504	(2)	476
Total revenues	<u>38,753</u>	<u>38,751</u>	<u>(2)</u>	<u>32,026</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	175,000	175,000	-	114,000
Interest and fiscal charges	16,882	16,882	-	20,077
Total expenditures	<u>191,882</u>	<u>191,882</u>	<u>-</u>	<u>134,077</u>
Deficiency of revenues over expenditures	(153,129)	(153,131)	(2)	(102,051)
<b>Other financing sources:</b>				
Transfers from 1967 Sales Tax Fund	165,267	165,267	-	180,727
Excess of revenues and other financing sources over expenditures	12,138	12,136	(2)	78,676
Fund balance, beginning	<u>512,040</u>	<u>512,040</u>	<u>-</u>	<u>433,364</u>
Fund balance, ending	<u>\$ 524,178</u>	<u>\$ 524,176</u>	<u>\$ (2)</u>	<u>\$ 512,040</u>

CITY OF CARENCRO, LOUISIANA  
 Nonmajor Debt Service Fund  
 2013 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 For the Year Ended November 30, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Revenues:</b>				
Miscellaneous - interest	\$ 194	\$ 194	\$ -	\$ 28
<b>Expenditures:</b>				
Debt service -				
Principal retirement	-	-	-	70,000
Interest and fiscal charges	14,228	14,454	(226)	15,174
Total expenditures	14,228	14,454	(226)	85,174
Deficiency of revenues over expenditures	(14,034)	(14,260)	(226)	(85,146)
<b>Other financing sources:</b>				
Transfers from TIF Sales Tax Fund	168,457	168,457	-	85,174
Excess of revenues and other financing sources over expenditures	154,423	154,197	(226)	28
Fund balance, beginning	99,788	99,788	-	99,760
Fund balance, ending	\$ 254,211	\$ 253,985	\$ (226)	\$ 99,788

CITY OF CARENCRO, LOUISIANA  
 Nonmajor Debt Service Fund  
 2014 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 For the Year Ended November 30, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ -	\$ 48	\$ 48	\$ -
Expenditures:				
Debt service	-	-	-	-
Excess of revenues over expenditures	-	48	48	-
Other financing sources:				
Transfers from 1967 Sales Tax Fund	<u>259,832</u>	<u>259,832</u>	-	-
Excess of revenues and other financing sources over expenditures	259,832	259,880	48	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ 259,832</u>	<u>\$ 259,880</u>	<u>\$ 48</u>	<u>\$ -</u>

## **NONMAJOR CAPITAL PROJECTS FUND**

### **Sidewalk Construction Fund -**

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

### **LCDBG 2009 Sewer Improvements -**

To accumulate funds for the construction of the 2009 Sewer Improvements project provided by the Louisiana Community Development Block Grant and Utility Fund revenues (transfers).

### **Capital Projects Fund -**

The Capital Projects Fund is used to account for the acquisition and construction of major capital assets other than those financed by proprietary funds.

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, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
Revenue:				
Intergovernmental:				
Federal grant - FEMA	\$ -	\$ -	\$ -	\$ 43,670
Miscellaneous - interest	20	16	(4)	88
Total revenues	<u>20</u>	<u>16</u>	<u>(4)</u>	<u>43,758</u>
Expenditures:				
Capital outlay -				
Hazard mitigation	91,152	92,771	(1,619)	52,991
Bridge repairs	-	-	-	68,505
Street improvements	25,000	27,167	(2,167)	222,490
Total expenditures	<u>116,152</u>	<u>119,938</u>	<u>(3,786)</u>	<u>343,986</u>
Deficiency of revenues over expenditures	<u>(116,132)</u>	<u>(119,922)</u>	<u>(3,790)</u>	<u>(300,228)</u>
Other financing sources:				
Transfer from Capital Projects Fund	24,112	24,112	-	-
Transfer from 1967 Sales Tax Fund	85,509	85,509	-	149,825
Total financing sources	<u>109,621</u>	<u>109,621</u>	<u>-</u>	<u>149,825</u>
Deficiency of revenues and other financing sources over expenditures	<u>(6,511)</u>	<u>(10,301)</u>	<u>(3,790)</u>	<u>(150,403)</u>
Fund balance, beginning	<u>62,182</u>	<u>62,182</u>	<u>-</u>	<u>212,585</u>
Fund balance, ending	<u>\$ 55,671</u>	<u>\$ 51,881</u>	<u>\$ (3,790)</u>	<u>\$ 62,182</u>

CITY OF CARENCRO, LOUISIANA  
 Nonmajor Capital Projects Fund  
 LCDBG 2009 Sewer Improvements Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended November 30, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive Negative	2013 Actual
	Budget	Actual		
Revenue:				
Federal grant - LCDBG	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay - sewer rehab				
Administration - City match	-	-	-	247
Deficiency of revenues over expenditures	-	-	-	(247)
Other financing source:				
Transfer from Utility Fund	-	-	-	250
Excess of revenues and other financing source over expenditures	-	-	-	3
Fund balance, beginning	26	26	-	23
Fund balance, ending	\$ 26	\$ 26	\$ -	\$ 26

CITY OF CARENCRO  
 Nonmajor Capital Projects Fund  
 Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended November 30, 2014  
 With Comparative Actual Amounts for the Year Ended November 30, 2013

	2014		Variance with Budget Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Revenue:</b>				
Intergovernmental -				
State grant - Louisiana DOTD	\$ 694,157	\$ 686,586	\$ (7,571)	\$ 40,358
State grant - Facilities Planning & Control	39,628	39,628	-	-
Miscellaneous	360	361	1	406
Total revenues	<u>734,145</u>	<u>726,575</u>	<u>(7,570)</u>	<u>40,764</u>
<b>Expenditures:</b>				
Capital outlay -				
Post Road erosion	73,721	77,046	(3,325)	-
City hall roof repairs	53,083	53,083	-	-
Beau Basin Coulee project	300,154	300,154	-	-
Gaston Coulee project	35,878	37,662	(1,784)	-
Arceneaux Road drainage improvements	68,667	71,461	(2,794)	-
Richard Street drainage improvements	18,438	19,715	(1,277)	-
Walter Drive drainage improvements	118,969	119,797	(828)	-
Debt service -				
Bond issuance costs	43,819	43,594	225	-
Total expenditures	<u>712,729</u>	<u>722,512</u>	<u>(9,783)</u>	<u>-</u>
Excess of revenues over expenditures	<u>21,416</u>	<u>4,063</u>	<u>(17,353)</u>	<u>40,764</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of bonds	5,800,000	5,800,000	-	-
Transfer to Sidewalk Fund	(24,112)	(24,112)	-	-
Transfer to Utility Fund	(1,873,394)	(1,873,394)	-	-
Total other financing sources (uses)	<u>3,902,494</u>	<u>3,902,494</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	3,923,910	3,906,557	(17,353)	40,764
Fund balance, beginning	<u>46,699</u>	<u>46,699</u>	<u>-</u>	<u>5,935</u>
Fund balance, ending	<u>\$3,970,609</u>	<u>\$3,953,256</u>	<u>\$ (17,353)</u>	<u>\$ 46,699</u>

CITY OF CARENCRO, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
November 30, 2014 and 2013

Records maintained by the City indicated the following number of customers were being serviced during the month of November, 2014 and 2013:

<u>Department</u>	<u>2014</u>	<u>2013</u>
Gas (metered)	781	784
Water (metered)	2,563	2,508
Sewerage	2,266	2,218
Garbage	2,403	2,361

CITY OF CARENCRO, LOUISIANA

Schedule of Insurance In Force  
(Unaudited)  
November 30, 2014

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory \$ 500,000
Surety bonds -	
Fidelity bond	310,000
Notary public bond	30,000
Comprehensive general liability, bodily injury, property damage, and personal injury	500,000
Law enforcement liability Personal injury, liability, false arrest, etc.	500,000
Automobile bodily injury, property damage, and uninsured motorists	500,000
Public officials liability	500,000
Commercial automobile	1,000,000
Building and personal property coverage -	
Community Center building	1,540,000
City hall:	
Building	800,000
Contents	200,000
Police station:	
Building	550,000
Contents	55,000
Utility Department:	
Water plant buildings	3,126,000
Contents	40,000
Utility sheds	66,000
Contents	35,000
Special risk - fire department -	
Building and personal property coverage -	
Buildings (2 fire stations and 1 annex building)	1,351,473
Contents	67,548
Vehicle coverage	1,129,246
Automobile bodily injury, property damage, and uninsured motorists	1,000,000
General liability	1,000,000
General aggregate	2,000,000
Products	2,000,000
Personal injury	1,000,000
Fire damage	1,000,000
Umbrella (excess coverage) liability, each occurrence	5,000,000
Umbrella (excess coverage) liability, annual aggregate	10,000,000

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds  
November 30, 2014

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Major Governmental Funds:				
General Fund -				
Money Market Investment Account	(R)	Variable	N/A	\$ <u>23,984</u>
Special Revenue Funds -				
1967 Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	20,800
U. S. Treasury Notes and Securities	(S)	1.375 - 4.875%	Various	<u>182,549</u>
				<u>203,349</u>
1993 Sales Tax Fund:				
Money Market Investment Account	(I)	Variable	N/A	9,789
Money Market Investment Account	(I)	Variable	N/A	<u>17,029</u>
				<u>26,818</u>
TIF District Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	<u>1,072,972</u>
Nonmajor governmental funds:				
Debt Service Funds -				
Sales Tax Bonds, Series 2012 Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>474,176</u>
2004 Certificates of Indebtedness Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>253,985</u>
Sales Tax Bonds, Series 2011 Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>81,896</u>
Capital Projects Fund -				
Sidewalk Construction Fund:				
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>65,687</u>
Total governmental funds				<u>\$1,948,882</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)  
November 30, 2014

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
<b>Proprietary Fund:</b>				
Utility Fund -				
Unrestricted Accounts:				
Money Market Investment Account	(I)	Variable	N/A	\$ 66,141
U. S. Treasury Notes and Securities	(S)	1.375 - 4.875%	Various	430,276
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>90,007</u>
Total unrestricted accounts				<u>586,424</u>
Restricted Accounts:				
Customers' Deposits -				
Money Market Investment Account	(R)	Variable	N/A	29,915
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>44,173</u>
				74,088
Revenue Bond Sinking Fund -				
Money Market Investment Account	(I)	Variable	N/A	<u>186,132</u>
Total restricted accounts				<u>260,220</u>
Total proprietary fund				<u>846,644</u>
Total interest-bearing deposits and investments - all funds				<u>\$2,795,526</u>

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

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

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Net Position  
Proprietary Fund  
November 30, 2014 and 2013

	Enterprise Fund	
	2014	2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 182,545	\$ 54,720
Interest-bearing deposits	66,141	127,382
Investments	520,283	515,224
<b>Receivables:</b>		
Accounts	291,704	295,837
Unbilled utility receivables	190,155	208,395
Due from other funds	121,923	-
Due from other governmental agencies	-	25,704
Accrued interest	2,072	1,763
Prepaid items	24,504	24,342
<b>Total current assets</b>	<u>1,399,327</u>	<u>1,253,367</u>
<b>Noncurrent assets:</b>		
<b>Restricted assets:</b>		
Cash	264,132	248,248
Interest-bearing deposits	216,047	575,243
Investments	44,173	44,162
<b>Capital assets, net of accumulated depreciation</b>	<u>16,679,181</u>	<u>13,243,234</u>
<b>Total noncurrent assets</b>	<u>17,203,533</u>	<u>14,110,887</u>
<b>Total assets</b>	<u>18,602,860</u>	<u>15,364,254</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	189,759	149,914
Contracts payable	274,198	-
Retainage payable	39,971	1,410
Accrued liabilities	4,288	3,897
Due to other funds	100,000	350,070
Accrued interest	16,002	17,783
Capital lease payable	61,707	55,123
Certificates of indebtedness payable	215,000	386,000
<b>Total current liabilities</b>	<u>900,925</u>	<u>964,197</u>
<b>Noncurrent liabilities:</b>		
<b>Payable from restricted assets -</b>		
Customers' deposits	338,220	322,280
Compensated absences payable	60,399	56,085
Capital lease payable	155,592	222,372
Certificates of indebtedness payable	3,252,000	3,467,000
<b>Total noncurrent liabilities</b>	<u>3,806,211</u>	<u>4,067,737</u>
<b>Total liabilities</b>	<u>4,707,136</u>	<u>5,031,934</u>
<b>NET POSITION</b>		
Net investment in capital assets	12,680,713	9,137,033
Restricted for debt service	170,130	527,590
Unrestricted	1,044,881	667,697
<b>Total net position</b>	<u>\$ 13,895,724</u>	<u>\$ 10,332,320</u>

CITY OF CARENCRO, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses  
Years Ended November 30, 2014 and 2013

	Totals		Gas	
	2014	2013	2014	2013
<b>Operating revenues:</b>				
Customers service charges	\$ 3,312,329	\$ 3,136,205	\$716,680	\$ 613,561
Permits, reconnections and penalties	77,649	83,198	1,742	8,836
Miscellaneous	73,536	41,016	22,795	12,715
Total operating revenues	<u>3,463,514</u>	<u>3,260,419</u>	<u>741,217</u>	<u>635,112</u>
<b>Operating expenses:</b>				
Salaries	578,713	526,888	150,358	133,886
Payroll taxes	44,324	40,474	11,026	9,824
Group insurance	70,598	65,578	14,694	14,013
Retirement	48,097	40,606	-	-
Gas purchased	180,542	118,408	180,542	118,408
Maintenance and supplies	469,603	374,472	56,149	62,315
Chemicals	256,703	245,605	-	-
Cathodic protection survey	7,084	6,219	7,084	6,219
Garbage collection fees	595,511	572,360	-	-
Depreciation expense	880,751	828,834	25,263	24,636
Amortization expense	-	4,646	-	-
Utilities	166,371	170,511	-	-
Telephone	16,264	15,114	-	-
Truck operation	56,104	62,287	16,641	16,682
Office supplies and postage	25,660	25,083	-	-
Bad debts	9,756	9,222	-	-
Insurance	66,256	70,885	19,378	21,452
Miscellaneous	606	734	-	-
Professional fees	16,735	17,355	-	-
Uniforms	10,148	9,392	3,322	3,173
Engineering fees	38,659	81,443	1,500	-
Travel	3,918	3,672	95	40
Contractual services	23,255	16,803	-	-
Meter reader expense	9,875	9,956	9,875	9,956
Backhoe operating lease	15,272	15,272	-	-
Allocation of general and administrative expense	-	-	168,988	166,879
Total operating expenses	<u>3,590,805</u>	<u>3,331,819</u>	<u>664,915</u>	<u>587,483</u>
Net operating income (loss)	<u>\$ (127,291)</u>	<u>\$ (71,400)</u>	<u>\$ 76,302</u>	<u>\$ 47,629</u>

Water		Sewerage		Sanitation		Administrative	
2014	2013	2014	2013	2014	2013	2014	2013
\$1,001,599	\$ 984,563	\$ 920,736	\$ 900,983	\$ 673,314	\$637,098	\$ -	\$ -
38,200	37,600	37,707	36,762	-	-	-	-
23,532	13,125	23,532	13,125	3,677	2,051	-	-
<u>1,063,331</u>	<u>1,035,288</u>	<u>981,975</u>	<u>950,870</u>	<u>676,991</u>	<u>639,149</u>	-	-
184,343	166,693	28,040	24,064	-	-	215,972	202,245
12,761	11,579	1,972	1,770	-	-	18,565	17,301
21,466	19,268	4,650	2,812	-	-	29,788	29,485
-	-	-	-	-	-	48,097	40,606
-	-	-	-	-	-	-	-
193,658	171,035	189,292	107,699	-	-	30,504	33,423
99,821	66,216	156,882	179,389	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	595,511	572,360	-	-
396,297	349,919	359,353	342,034	-	-	99,838	112,245
-	-	-	-	-	-	-	4,646
45,060	41,938	110,777	119,768	-	-	10,534	8,805
-	-	-	-	-	-	16,264	15,114
22,222	24,572	17,042	20,576	-	-	199	457
-	-	-	-	-	-	25,660	25,083
-	-	-	-	-	-	9,756	9,222
37,397	38,055	4,561	6,055	-	-	4,920	5,323
-	-	-	-	-	-	606	734
-	-	-	-	-	-	16,735	17,355
-	-	6,826	6,172	-	-	-	47
30,099	11,254	7,060	70,189	-	-	-	-
1,119	2,644	290	30	-	-	2,414	958
5,260	4,955	17,995	11,848	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,272	15,272
<u>174,440</u>	<u>172,263</u>	<u>174,440</u>	<u>172,263</u>	<u>27,256</u>	<u>26,916</u>	<u>(545,124)</u>	<u>(538,321)</u>
<u>1,223,943</u>	<u>1,080,391</u>	<u>1,079,180</u>	<u>1,064,669</u>	<u>622,767</u>	<u>599,276</u>	-	-
<u>\$ (160,612)</u>	<u>\$ (45,103)</u>	<u>\$ (97,205)</u>	<u>\$ (113,799)</u>	<u>\$ 54,224</u>	<u>\$ 39,873</u>	<u>\$ -</u>	<u>\$ -</u>

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

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Retired:  
Conrad O. Chapman, CPA\* 2006

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carencro, Louisiana (the City) as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 22, 2015.

### Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2014-002 and 2014-003 to be material weaknesses.

## **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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described as item 2014-001 in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan.

We also noted additional matters that we have reported to management of the City of Carencro, Louisiana in a separate letter dated May 22, 2015.

## **City of Carencro, Louisiana's Response to Findings**

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

## **Purpose of this Report**

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

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

Lafayette, Louisiana  
May 22, 2015

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2014

<i>Fiscal Year</i>	<i>Finding</i>		<i>Corrective</i>		<i>Name of</i>	<i>Anticipated</i>
<i>Initially</i>	<i>Occurred</i>	<i>Description of finding</i>	<i>Action</i>	<i>Corrective Action Planned</i>	<i>Contact</i>	<i>Completion</i>
<i>Ref. No.</i>	<i>Occurred</i>		<i>Taken</i>		<i>Person</i>	<i>Date</i>
CURRENT YEAR (11/30/14) --						
<u>Compliance:</u>						
2014-001	2014	The City did not comply with the provisions of the public bid law, R.S. 38:2212. There were two instances in which the City failed to obtain three written quotes for equipment purchases between \$10,000 and \$30,000.	Yes	The City inadvertently omitted the procurement procedures when making these purchases. In the future, management will strictly adhere to requirements included in the state public bid law.	Jay Castille, City Manager	Immediately
<u>Internal Control:</u>						
2014-002	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.	Jay Castille, City Manager	N/A
2014-003	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.	Jay Castille, City Manager	N/A

(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, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (11/30/14) --</u>						
<u>Management Letter:</u>						
2014-004	2002	The Utility Fund water and sewerage departments experienced operating losses of \$160,612 and \$97,205, respectively, for the fiscal year ended November 30, 2014. The City should consider increasing water and sewerage utility rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	The City increases rates annually based upon a five-year rate analysis approved by the board. Additionally, the City's management continually monitors the operating expenses in these departments and makes reductions when possible.	Jay Castille, City Manager	11/30/2014
2014-005	2010	The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$134,989. The City should have a fund balance level that can sustain its operations for at least 2 months, assuming no incoming revenues. Currently the City has enough fund balance to sustain approximately 12 days of operations. The City should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.	Partial	City officials will closely examine current General Fund revenues and expenditures and determine where appropriate increases/decreases can be made in order to restore fund balance to an acceptable level.	Jay Castille, City Manager	11/30/2014

(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, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (11/30/13) --</u>						
<u>Internal Control:</u>						
2013-001	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.	Jay Castille, City Manager	N/A
2013-002	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.	Jay Castille, City Manager	N/A
<u>Management Letter:</u>						
2013-003	2002	The Utility Fund water and sewerage departments experienced operating losses of \$45,103 and \$113,799, respectively, for the fiscal year ended November 30, 2013. The City should consider increasing water and sewerage utility rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	The City increases rates annually based upon a five-year rate analysis approved by the board. Additionally, the City's management continually monitors the operating expenses in these departments and makes reductions when possible.	Jay Castille, City Manager	11/30/2014
2013-004	2010	The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$173,538. The City should have a fund balance level that can sustain its operations for at least 2 months, assuming no incoming revenues. Currently the City has enough fund balance to sustain approximately 17 days of operations. The City should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.	Partial	City officials will closely examine current General Fund revenues and expenditures and determine where appropriate increases/decreases can be made in order to restore fund balance to an acceptable level.	Jay Castille, City Manager	11/30/2014

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## MANAGEMENT LETTER

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, 2014, and submit the following recommendations for your consideration. These comments were also included in our management letter dated May 13, 2014 for the audit period ended November 30, 2013 and are mentioned again for re-emphasis:

1. The Utility Fund water, and sewerage departments experienced operating losses in the amounts of \$160,612 and \$97,205, respectively, for the fiscal year ended November 30, 2014. The City should consider increasing water and sewerage utility rates and/or decreasing operating expenses in order for these departments to operate on a profitable basis.
2. The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$134,989. The City should have a fund balance level that can sustain its operations for at least 2 months, assuming no incoming revenues. Currently, the City has enough fund balance to sustain approximately 12 days of operations. The City should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.

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  
May 22, 2015