

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

Financial Report

Year Ended November 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

Honorable Charlotte Stemmans Clavier, Mayor  
and Members of the Board of Alderman on behalf of the Parks and Recreation Commission of Carencro, Inc.  
Carencro, Louisiana

### Disclaimer of Opinions

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements as listed in the table of contents.

We do not express an opinion on the financial statements of the governmental activities, the business-type activities and each major fund of the PARC. Because of the significance of the matter described in the Basis for Disclaimer of Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the governmental activities, the business-type activities, and each major fund.

### Basis for Disclaimer of Opinions

Management of the Parks and Recreation Commission of Carencro, Inc., did not retain sufficient records and provide adequate audit evidence necessary for us to express an opinion or provide any assurance on the governmental activities, business-type activities, and each major fund.

### Dissolution of the Parks and Recreation Commission of Carencro, Inc.

As described in Note 8 to the financial statements, the PARC was dissolved, and all operations were absorbed into the City of Carencro on December 1, 2023. As a result, the Commission has ceased to exist as of the date of this audit report.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PARC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the PARC's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the governmental activities, business-type activities, and each major fund.

We are required to be independent of the PARC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

### **Required Supplementary Information**

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

The PARC has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 2024, on our consideration of the PARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an engagement to audit in accordance with *Government Auditing Standards* in considering the PARC's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
May 24, 2024

## **BASIC FINANCIAL STATEMENTS**

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

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

Statement of Net Position  
November 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 965,676	\$ 53,860	\$ 1,019,536
Internal balances	7,673	(7,673)	-
Inventory	-	16,570	16,570
Total current assets	973,349	62,757	1,036,106
Noncurrent assets:			
Capital assets -			
Land	-	1,275,195	1,275,195
Other capital assets, net	-	3,931,374	3,931,374
Total noncurrent assets	-	5,206,569	5,206,569
Total assets	973,349	5,269,326	6,242,675
<b>LIABILITIES</b>			
Accounts and other payables	-	37,525	37,525
Unearned revenues	-	13,282	13,282
Total liabilities	-	50,807	50,807
<b>NET POSITION</b>			
Net investment in capital assets	-	5,206,569	5,206,569
Restricted for recreation	973,349	-	973,349
Unrestricted	-	11,950	11,950
Total net position	\$ 973,349	\$ 5,218,519	\$ 6,191,868

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

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

Statement of Activities  
For the Year Ended November 30, 2023

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>							
General government	\$ 27,683	\$ -	\$ -	\$ -	\$ (27,683)	\$ -	\$ (27,683)
Recreation	315,108	8,269	1,012,018	-	705,179	-	705,179
Total governmental activities	342,791	8,269	1,012,018	-	677,496	-	677,496
<b>Business-type activities:</b>							
Pelican Park	898,696	362,126	-	-	-	(536,570)	(536,570)
Carencro Sports Complex	455,974	297,170	-	-	-	(158,804)	(158,804)
Total business-type activities	1,354,670	659,296	-	-	-	(695,374)	(695,374)
Total	\$ 1,697,461	\$ 667,565	\$ 1,012,018	\$ -	677,496	(695,374)	(17,878)
<b>General revenues:</b>							
Interest and investment earnings					1,611	51	1,662
Transfers					(603,455)	603,455	-
Total general revenues and transfers					(601,844)	603,506	1,662
Change in net position					75,652	(91,868)	(16,216)
Net position - December 1, 2022					897,697	5,310,387	6,208,084
Net position - November 30, 2023					\$ 973,349	\$ 5,218,519	\$ 6,191,868

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

**FUND FINANCIAL STATEMENTS (FFS)**

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

Balance Sheet  
Governmental Fund  
November 30, 2023

	<u>General Fund</u>
ASSETS	
Interest-bearing deposits	\$ 965,676
Due from Park Operating Fund	<u>7,673</u>
Total assets	<u>\$ 973,349</u>
FUND BALANCE	
Fund balance:	
Restricted for recreation	<u>\$ 973,349</u>
Total fund balance	<u>\$ 973,349</u>

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

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

Statement of Revenues, Expenditures, and Change in Fund Balance -  
Governmental Fund

For the Year Ended November 30, 2023

	General Fund
Revenues:	
Charges for services	\$ 8,269
Intergovernmental -	
Local contribution	995,618
Miscellaneous	18,011
Total revenues	1,021,898
Expenditures:	
Current -	
General government	27,683
Recreation	315,108
Total expenditures	342,791
Excess of revenues over expenditures	679,107
Other financing uses:	
Transfers to Park Operating Fund	(603,455)
Net change in fund balance	75,652
Fund balance, beginning	897,697
Fund balance, ending	\$ 973,349

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

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

Statement of Net Position  
Proprietary Fund  
November 30, 2023

	Park Operating Fund
<b>ASSETS</b>	
Current assets:	
Cash	\$ 53,860
Inventory	<u>16,570</u>
Total current assets	<u>70,430</u>
Noncurrent assets:	
Capital assets -	
Land and construction in progress	1,275,195
Other capital assets, net	<u>3,931,374</u>
Total noncurrent assets	<u>5,206,569</u>
Total assets	<u>5,276,999</u>
<b>LIABILITIES</b>	
Accounts payable	16,612
Accrued liabilities	20,913
Due to General Fund	7,673
Unearned revenues	<u>13,282</u>
Total liabilities	<u>58,480</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,206,569
Unrestricted	<u>11,950</u>
Total net position	<u>\$ 5,218,519</u>

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

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

Statement of Revenues, Expenses and Change in Fund Net Position -  
Proprietary Fund  
For the Year Ended November 30, 2023

	Park Operating Fund		
	Pelican Park	Carencro Sports Complex	Total
Operating revenues:			
Charges for services	\$ 349,701	\$ 198,541	\$ 548,242
Other	12,425	98,629	111,054
Total operating revenues	362,126	297,170	659,296
Operating Expenses:			
Personnel services	372,053	197,975	570,028
Cost of goods sold	98,937	14,477	113,414
Advertising	80	3,925	4,005
Awards	2,464	2,415	4,879
Depreciation expense	168,721	105,958	274,679
Insurance	-	-	-
Legal and accounting	9,524	4,761	14,285
Office and postage	5,125	4,113	9,238
Service contracts	31,065	27,934	58,999
Events and sponsorships	7,696	928	8,624
Umpire fees	21,361	22,558	43,919
Utilities and telephone	68,241	32,629	100,870
Repairs and supplies	86,582	30,483	117,065
Miscellaneous	26,847	7,818	34,665
Total operating expenses	898,696	455,974	1,354,670
Operating loss	\$ (536,570)	\$ (158,804)	(695,374)
Non-operating revenues			51
Loss before transfers			(695,323)
Transfers from General Fund			603,455
Change in net position			(91,868)
Net position, beginning			5,310,387
Net position ending			\$ 5,218,519

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

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

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended November 30, 2023

	<u>Park Operating Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 666,720
Payments to suppliers	(506,773)
Payments to employees	<u>(561,640)</u>
Net cash used by operating activities	<u>(401,693)</u>
Cash flows from noncapital financing activities:	
Cash received from General Fund	<u>431,486</u>
Net cash provided by noncapital financing activities	<u>431,486</u>
Cash flows from investing activities:	
Interest income	<u>51</u>
Net increase in cash and cash equivalents	29,844
Cash and cash equivalents, beginning of period	<u>24,016</u>
Cash and cash equivalents, end of period	<u>\$ 53,860</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (695,374)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	274,679
Decrease in receivables	400
Increase in inventory	(1,422)
Increase in accounts payable	4,612
Increase in accrued liabilities	8,388
Increase in unearned revenues	<u>7,024</u>
Net cash used by operating activities	<u>\$ (401,693)</u>

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

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

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Accounting

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

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

Notes to Basic Financial Statements (Continued)

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

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

The major funds of the PARC are described below:

Governmental Fund -

General Fund

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

Proprietary Fund -

Enterprise fund

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

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

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

Notes to Basic Financial Statements (Continued)

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

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

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

Cash and interest-bearing deposits

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

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

Interfund receivables and payables

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

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

Inventories

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of November 30, 2023.

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

Notes to Basic Financial Statements (Continued)

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated vacation leave only. The PARC had no material accumulated leave benefits required to be reported at November 30, 2023.

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

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

1. Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The PARC typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At November 30, 2023, the PARC reported \$973,349 of restricted net position that was restricted by enabling legislation.
3. Unrestricted net position - This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the PARC.

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Commissioners, which is the highest level of decision-making authority for the Parc.

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

Notes to Basic Financial Statements (Continued)

- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the PARC’s adopted policy, only the Board of Commissioners may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

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

Notes to Basic Financial Statements (Continued)

F. Revenue Restrictions

The PARC has a legal restriction placed over the revenue received from the City of Carencro from the proceeds of the 1993 Sales Tax due to the dedication of the use of the proceeds. See Note 3.

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

G. 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) Capital Assets

Capital asset activity for the year ended November 30, 2023 was as follows:

	Balance 12/01/22	Additions	Deletions	Balance 11/30/23
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,275,195	\$ -	\$ -	\$ 1,275,195
Construction in progress	40,745	137,277	178,022	-
Other capital assets:				
Building and improvements	5,013,306	189,431	-	5,202,737
Furniture, fixtures and equipment	1,103,580	23,283	-	1,126,863
Total	<u>7,432,826</u>	<u>349,991</u>	<u>178,022</u>	<u>7,604,795</u>
Less: accumulated depreciation				
Building and improvements	1,456,855	197,698	-	1,654,553
Furniture, fixtures and equipment	666,692	76,981	-	743,673
Total accumulated depreciation	<u>2,123,547</u>	<u>274,679</u>	<u>-</u>	<u>2,398,226</u>
Capital assets, net	<u>\$ 5,309,279</u>	<u>\$ 75,312</u>	<u>\$ 178,022</u>	<u>\$ 5,206,569</u>

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

Notes to Basic Financial Statements (Continued)

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

Pelican Park	\$ 168,721
Carencro Sports Complex	<u>105,958</u>
Total depreciation expense	<u>\$ 274,679</u>

(3) External Transactions

Most of the revenues from PARC's General Fund are derived from transfers from the City of Carencro, the primary government. The transfers are made from one-third (1/3) of the 1993 sales and use tax levied by the City. The funds are dedicated for recreational purposes. These transactions are classified as operating grants and contributions on the government-wide statement of activities. During the fiscal year ended November 30, 2023, external transactions consisted of \$995,618 of contributions received from the City for operating and capital expenditures.

(4) Risk Management

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

(5) Litigation

There was no litigation pending against PARC at November 30, 2023.

(6) Interfund Transactions

Transfers of \$603,455 were made from the General Fund to the Park Operating Fund in order to properly charge the expenditures of the monies to the fund to which they were applicable in accordance with budgetary authorizations and to properly transfer capital assets to the Park Operating Fund.

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

The schedule of compensation, benefits, and other payments to Todd Olivier, Parks and Recreation Chairman from December 1, 2022 through November 30, 2023 follows:

	<u>Todd Olivier</u>
Salary	<u>\$ 15,600</u>

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

Notes to Basic Financial Statements (Continued)

(8) Dissolution of the Parks and Recreation Commission of Carencro, Inc.

On July 17, 2023, the City of Carencro adopted a final ordinance dissolving the Parks and Recreation Commission of Carencro, Inc. effective December 1, 2023. As a result of the dissolution, the net assets of the commission will be distributed to the City of Carencro and the City of Carencro will assume all operations of the Commission. The Commission was formally dissolved with the Secretary of State on January 30, 2024.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

General Fund  
Budgetary Comparison Schedule  
For the Year Ended November 30, 2023

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services -				
Registration fees	\$ 3,500	\$ 3,500	\$ 8,269	\$ 4,769
Intergovernmental -				
Local contribution	852,800	852,800	995,618	142,818
Miscellaneous -				
Sponsor income	70,750	70,750	16,400	(54,350)
Interest income	1,000	1,000	1,611	611
Other	1,000	1,000	-	(1,000)
Total revenues	<u>929,050</u>	<u>929,050</u>	<u>1,021,898</u>	<u>92,848</u>
Expenditures:				
Current -				
General government:				
Parc per diem	<u>26,000</u>	<u>26,000</u>	<u>27,683</u>	<u>(1,683)</u>
Recreation:				
Salaries	27,000	27,000	27,499	(499)
CAYSI appropriation	12,000	12,000	2,642	9,358
Other park appropriations - boxing	2,000	2,000	1,201	799
Summer recreation program expenditures	<u>2,500</u>	<u>2,500</u>	<u>4,735</u>	<u>(2,235)</u>
Total	<u>43,500</u>	<u>43,500</u>	<u>36,077</u>	<u>7,423</u>
Pelican Park North expenditures:				
Legal and accounting	16,000	16,000	18,638	(2,638)
Office expenditures and supplies	1,000	1,000	53	947
Park insurance	29,200	29,200	26,916	2,284
Utilities	12,000	12,000	15,530	(3,530)
Park concert program	60,000	60,000	62,159	(2,159)
Repairs and maintenance	35,000	35,000	139,875	(104,875)
Travel and meetings	5,000	5,000	39	4,961
Outside service contracts	6,500	6,500	12,641	(6,141)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>3,180</u>	<u>(1,180)</u>
Total Pelican Park North expenditures	<u>166,700</u>	<u>166,700</u>	<u>279,031</u>	<u>(112,331)</u>
Total recreation	<u>210,200</u>	<u>210,200</u>	<u>315,108</u>	<u>(104,908)</u>
Total expenditures	<u>236,200</u>	<u>236,200</u>	<u>342,791</u>	<u>(106,591)</u>
Excess of revenues over expenditures	<u>692,850</u>	<u>692,850</u>	<u>679,107</u>	<u>(13,743)</u>

See notes to the required supplementary information.

(continued)

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

General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended November 30, 2023

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers to Park Operating Fund	(993,500)	(993,500)	(603,455)	390,045
Change in fund balance	(300,650)	(300,650)	75,652	376,302
Fund balance, beginning	897,697	897,697	897,697	-
Fund balance, ending	<u>\$ 597,047</u>	<u>\$ 597,047</u>	<u>\$ 973,349</u>	<u>\$ 376,302</u>

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

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

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

(2) Excess of Expenditures Over Appropriations

For the year ended November 30, 2023, the following fund had actual expenditures over appropriations, at the fund level, as follows:

<u>Fund/Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
General government	\$ 26,000	\$ 27,683	\$ (1,683)
Recreation	210,200	315,108	(104,908)

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Charlotte Stemmans Clavier, Mayor,  
and Members of the Board of Alderman on behalf of the Parks and Recreation Commission of Carencro, Inc.  
Carencro, Louisiana

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Parks and Recreation Commission, Inc. (PARC), a component unit of the City of Carencro, as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements and have issued our report thereon dated May 24, 2024. Our report disclaims an opinion on such financial statements because management of the PARC did not retain sufficient records and provide adequate audit evidence necessary for us to express an opinion or provide any assurance on the governmental activities, business-type activities, and each major fund.

### Report on Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statements of PARC, we considered the PARC's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PARC's internal control. Accordingly, we do not express an opinion on the effectiveness of the PARC's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control described in the accompanying summary schedule of current and prior year audit findings and management’s corrective action plan as items 2023-001 and 2022-002 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

In connection with our engagement to audit the financial statements of PARC, 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 on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management’s corrective action plan as items 2023-003 through 2023-006. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the PARC’s response to the findings identified in our engagement and described in the accompanying summary schedule of current and prior year audit findings and management’s corrective action . PARC’s response was not subjected to the other auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

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

Lafayette, Louisiana  
May 24, 2024

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

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2023

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

A. Internal Control Over Financial Reporting

**2023-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 1994

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

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

CAUSE: Due to the size of the Commission, there are a small number of available employees.

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

**2023-002 Inadequate Controls Over Financial Statement Preparation**

Fiscal year finding initially occurred: 2021

CONDITION: The Commission does not have a staff person who has the qualifications and training necessary to apply generally accepted accounting principles (GAAP) in recording the Commission's financial transactions or preparing its financial statements, including the related notes.

CRITERIA: The Commission should be able to record financial transactions and prepare financial statements in accordance with GAAP.

CAUSE: The Commission does not have personnel with the qualifications needed to perform this function.

EFFECT: The Commission's financial transactions and financial statements may not be prepared in accordance with GAAP.

RECOMMENDATION: The Commission should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

MANAGEMENT'S CORRECTIVE ACTION PLAN: 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 is in the best interest of the City to outsource this task to the independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

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

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2023

B. Compliance and Other Matters

**2023-003 Failure to Properly Amend Budget**

Fiscal year finding initially occurred: 2023

CONDITION: Total expenditures of the General Fund for the year ended November 31, 2023 exceeded budgeted expenditures by more than five percent.

CRITERIA: Louisiana Revised Statute 39:1311(A)(2) states that when total actual expenditures exceed total budgeted expenditures by more than five percent the budget should be amended.

CAUSE: The Commission did not properly monitor compliance with the budget.

EFFECT: The Commission did not properly amend the budget when total expenditures exceeded total budgeted expenditures by more than five percent.

RECOMMENDATION: The Commission should monitor compliance with the budget and amend the budget when total expenditures exceed total budgeted expenditures by more than five percent.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City of Carencro will ensure compliance with all provisions of the Local Government Budget Act.

**2023-004 Failure to Timely Remit Payroll Taxes**

Fiscal year finding initially occurred: 2023

CONDITION: The Commission did not remit all payroll taxes within the required time frame.

CRITERIA: The Commission did not remit all required payroll taxes by the 15<sup>th</sup> day of the following month in accordance with IRS guidelines.

CAUSE: The Commission did not remit all payroll taxes within the required time frame.

EFFECT: The Commission did not remit payroll taxes in the amount of \$5,496. Additionally, the Commission was late on remitting payroll taxes at various points during the year. As such, the Internal Revenue Service levied penalties and interest totaling \$2,485. The payroll taxes were outstanding until February 22, 2024, at which point, the taxes were paid by the City of Carencro.

RECOMMENDATION: The Commission should implement policies and procedures to properly pay all required payroll taxes within the required time frame.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City of Carencro will pay all outstanding payroll tax liabilities assumed from the PARC, and moving forward, will file and remit all required payroll taxes in the timeframe set forth by the Internal Revenue Service.

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

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2023

**2023-005 Record Retention Issues**

Fiscal year finding initially occurred: 2023

**CONDITION:** During the course of the engagement, the Commission was unable to provide sufficient supporting documentation.

**CRITERIA:** Louisiana Revised Statute 44:36 requires agencies to maintain records to support transactions for a minimum of three years from the date the record is created, unless required to be maintained by a specific state statute.

**CAUSE:** The Commission did not retain supporting documentation during the year ended November 30, 2023.

**EFFECT:** Failure to maintain proper supporting documentation is a violation of state statutes. Additionally, lack of proper documentation makes it difficult to determine if amounts are appropriate, necessary for Commission operations, and properly reported.

**RECOMMENDATION:** The Commission should develop policies and procedures to ensure that proper support is maintained for all transactions as required under state statutes.

**MANAGEMENT'S CORRECTIVE ACTION PLAN:** The City of Carencro administrative staff and personnel will maintain all supporting documentation for financial transactions.

**2023-006 Uninsured Bank Balances**

Fiscal year finding initially occurred: 2023

**CONDITION:** The Commission was unable to provide sufficient evidence to determine whether or not the Commission's bank balances were secured by federal deposit insurance or collateralized by the financial institution with designated securities.

**CRITERIA:** The Commission should have bank balances secured by federal deposit insurance or collateralized by the financial institution with designated securities as defined by R.S. 39:1224.

**CAUSE:** The Commission was unable to provide adequate audit evidence to determine if the Commission was in compliance with R.S. 39:1224.

**EFFECT:** Failure to adequately secure bank balances could result in the loss of those bank balances if the bank was insolvent.

**RECOMMENDATION:** The Commission should coordinate with the appropriate financial institution to ensure any deposits in excess of federal deposit insurance are properly collateralized.

**MANAGEMENT'S CORRECTIVE ACTION PLAN:** The City has determined that it will secure all bank balances with federal deposit insurance or collateralized by the financial institution with designated securities as defined by R.S. 39:1224.

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

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2023

**2023-007 Failure to File Sales Tax Returns Timely**

Fiscal year finding initially occurred: 2023

CONDITION: The Commission did not properly file all sales tax returns in a timely manner.

CRITERIA: The Louisiana Department of Revenue requires that all Sales Tax Returns and tax payments are properly filed and remitted by the 20<sup>th</sup> of the month following the close of the calendar month of the reporting period.

CAUSE: The City did not have proper policies and procedures in place to ensure the filing and remittance of sales taxes were properly completed.

EFFECT: The Commission was assessed penalties and interest; however, the total amount was unable to be identified.

RECOMMENDATION: The Commission should implement policies and procedures to ensure that all sales tax filings and corresponding remittances are completed by the 20<sup>th</sup> of the month following the close of the calendar month of the reporting period.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City of Carencro will pay and file all outstanding sales tax liabilities assumed from the PARC, and moving forward, will file and remit all required payroll taxes in the required time frame.

Part II. Prior Year Findings

A. Internal Control Over Financial Reporting

**2022-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 1994

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

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

CURRENT STATUS: Unresolved. See finding 2023-001.

**2022-002 Inadequate Controls over Financial Statement Preparation**

Fiscal year finding initially occurred: 2021

CONDITION: The Commission does not have a staff person who has the qualifications and training necessary to apply generally accepted accounting principles (GAAP) in recording the Commission's financial transactions or preparing its financial statements, including the related notes.

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

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2023

RECOMMENDATION: The Commission should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

CURRENT STATUS: Unresolved. See finding 2023-002.

B. Compliance and Other Matters

There are no findings to report under this section.