

CITY COURT OF CROWLEY, LOUISIANA

Financial Report

Year Ended August 31, 2015

CITY COURT OF CROWLEY, LOUISIANA

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Thibodeaux Accounting Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Marie B. Trahan
City Judge
City Court of Crowley
Crowley, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of City Court of Crowley, Louisiana, a component unit of the City of Crowley, Louisiana, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Crowley, as of August 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36-38 and the schedule of employer's share of net pension liability and the schedule of employer contributions on pages 39-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management 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 Court of Crowley's basic financial statements. The schedule of expenditures and the schedule of compensation, benefits and other payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures on pages 42-43 and the schedule of compensation, benefits and other payments to Agency Head or Chief Executive on page 44 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report February 25, 2016, on our consideration of the City Court of Crowley'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of Crowley's internal control over financial reporting and compliance.


Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
February 25, 2016

Basic Financial Statements
Government-Wide Financial Statements (GWFS)

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF NET POSITION
Year Ended August 31, 2015

| | Governmental Activities | <u>TOTALS</u> 2015 |
|--|----------------------------|--------------------------|
| ASSETS | | |
| Cash | \$ 121,612 | \$ 121,612 |
| Due from other funds | 655 | 655 |
| Capital assets, depreciable, net | <u>36,926</u> | <u>36,926</u> |
| Total Assets | <u>159,193</u> | <u>159,193</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources, pension related | <u>148,834</u> | <u>148,834</u> |
| Total Deferred Outflows of Resources | <u>148,834</u> | <u>148,834</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>308,027</u></u> | <u><u>308,027</u></u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$ 50,200 | \$ 50,200 |
| Due to other funds | 655 | 655 |
| Noncurrent Liabilities: | | |
| Net Pension Liability | <u>309,584</u> | <u>309,584</u> |
| Total Liabilities | <u>\$ 360,439</u> | <u>\$ 360,439</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources, pension related | <u>83,523</u> | <u>83,523</u> |
| Total Deferred Inflows of Resources | <u>83,523</u> | <u>83,523</u> |
| NET POSITION | | |
| Invested in capital assets | \$ 36,926 | \$ 36,926 |
| Unrestricted | <u>(172,861)</u> | <u>(172,861)</u> |
| Total Net Position | <u>\$ (135,935)</u> | <u>\$ (135,935)</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u><u>\$ 308,027</u></u> | <u><u>\$ 308,027</u></u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF ACTIVITIES
Year Ended August 31, 2015

| <u>Function / Program</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense)</u> |
|---|-------------------|--|------------------------------------|---|
| | | <u>Charges for Services, Fines, and Forfeits</u> | <u>Operating Contributions</u> | <u>Revenue and Change in Net Position</u> |
| Governmental activities: | | | | 2015 |
| General government | <u>\$ 488,912</u> | <u>\$ 348,561</u> | <u>\$ 90,000</u> | <u>Governmental Activities</u> |
| | | | | |
| General revenues: | | | | |
| Transfers | | | | <u>35,190</u> |
| Change in net position | | | | \$ (15,161) |
| Net position, beginning 9/1/14 restated | | | | <u>(120,774)</u> |
| Net position, ending | | | | <u>\$ (135,935)</u> |

The accompanying notes are an integral part of this statement.

Fund Financial Statements

CITY COURT OF CROWLEY, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
Year Ended August 31, 2015

| | City Court Fund | State Court Fund | Judicial Building Fund | Other Government Funds | <u>TOTALS</u> 2015 |
|--|-----------------------|------------------------|------------------------------|------------------------------|-----------------------|
| ASSETS | | | | | |
| Cash | \$ 32,382 | \$ 65,644 | \$ 18,555 | \$ 5,031 | \$ 121,612 |
| Due from other funds | - | - | 655 | - | 655 |
| Total Assets | <u>\$ 32,382</u> | <u>\$ 65,644</u> | <u>\$ 19,210</u> | <u>\$ 5,031</u> | <u>\$ 122,267</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ 44,439 | \$ 5,761 | \$ - | \$ - | \$ 50,200 |
| Due to other funds | 450 | 205 | - | - | 655 |
| Total Liabilities | <u>\$ 44,889</u> | <u>\$ 5,966</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 50,855</u> |
| FUND BALANCES | | | | | |
| Unassigned | <u>(12,507)</u> | <u>59,678</u> | <u>19,210</u> | <u>5,031</u> | <u>71,412</u> |
| Total Liabilities and Fund Balances | <u>\$ 32,382</u> | <u>\$ 65,644</u> | <u>\$ 19,210</u> | <u>\$ 5,031</u> | <u>\$ 122,267</u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 Year Ended August 31, 2015

| | | |
|---|----|-------------------------|
| Total fund balances - Governmental funds | \$ | 71,412 |
| <p>Total net assets for governmental activities in the statement of net position is different because:</p> | | |
| <p style="padding-left: 40px;">Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.</p> | | |
| Capital assets, net | | 36,926 |
| Deferred Outflows | | 148,834 |
| Net pension liability | | (309,584) |
| Deferred Inflows | | <u>(83,523)</u> |
| Net Position of Governmental Activities | \$ | <u><u>(135,935)</u></u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended August 31, 2015

| | City Court Fund | State Court Fund | Judicial Building Fund | Other Government Funds | TOTALS 2015 |
|--|-----------------------|------------------------|------------------------------|------------------------------|-------------------|
| Revenues: | | | | | |
| Fines and forfeits | \$ 225,718 | \$ 100,422 | \$ 19,113 | \$ 3,308 | \$ 348,561 |
| Intergovernmental | 40,000 | 50,000 | - | - | 90,000 |
| Miscellaneous income | - | - | - | - | - |
| Total Revenues | \$ 265,718 | \$ 150,422 | \$ 19,113 | \$ 3,308 | \$ 438,561 |
| Expenditures: | | | | | |
| Current - | | | | | |
| General government: | | | | | |
| Salaries, payroll taxes, and retirement | \$ 153,475 | \$ - | \$ - | \$ - | \$ 153,475 |
| Office Expenses | 231 | 7,258 | 13,167 | - | 20,656 |
| Fines and fees | 177,771 | 63,756 | - | - | 241,527 |
| Professional services | - | 17,845 | - | - | 17,845 |
| Juvenile housing costs | - | - | - | 1,142 | 1,142 |
| District attorney fees | - | 6,964 | - | - | 6,964 |
| Miscellaneous | 1,461 | 11,392 | 4,760 | 1,495 | 19,107 |
| Total general government | \$ 332,937 | \$ 107,215 | \$ 17,927 | \$ 2,637 | \$ 460,716 |
| Capital Outlay | - | - | 6,159 | - | 6,159 |
| Total expenditures | \$ 332,937 | \$ 107,215 | \$ 24,086 | \$ 2,637 | \$ 466,875 |
| Excess (deficiency) of revenues over expenditures | \$ (67,219) | \$ 43,207 | \$ (4,973) | \$ 671 | \$ (28,314) |
| Other sources (uses): | | | | | |
| Transfers out | \$ - | \$ (40,309) | \$ (4,810) | \$ - | \$ (45,119) |
| Transfers in | 80,000 | - | 309 | - | 80,309 |
| Total other sources (uses): | \$ 80,000 | \$ (40,309) | \$ (4,501) | \$ - | \$ 35,190 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | \$ 12,781 | \$ 2,898 | \$ (9,474) | \$ 671 | \$ 6,876 |
| Fund balances, beginning | (25,288) | 56,780 | 28,684 | 4,360 | 64,536 |
| Fund balance, ending | \$ (12,507) | \$ 59,678 | \$ 19,210 | \$ 5,031 | \$ 71,412 |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended August 31, 2015

| | | | |
|--|----|----------------|--------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ | 6,876 |
| <p>The change in net position reported for governmental activities in the statement of activities is different because:</p> | | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives as depreciation expense.</p> | | | |
| Capital Outlay | \$ | 6,159 | |
| Depreciation expense | | <u>(9,621)</u> | \$ (3,462) |
| Net change in pension liability and deferred inflows/outflows of resources | | | <u>\$ (18,575)</u> |
| Change in Net Position of Governmental Activities | | | <u>\$ (15,161)</u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
Year Ended August 31, 2015

| | Civil Fund | Other Agency Funds | <u>TOTALS</u> 2015 |
|---------------------------------------|------------------|-----------------------|-----------------------|
| ASSETS | | | |
| Cash held in trust | \$ 34,143 | \$ 13,963 | \$ 48,106 |
| Other receivables | 731 | - | 731 |
| Due from other funds | 449 | - | 449 |
| | <u>449</u> | <u>-</u> | <u>449</u> |
| Total Assets | <u>\$ 35,323</u> | <u>\$ 13,963</u> | <u>\$ 49,286</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 366 | \$ 1,205 | \$ 1,571 |
| Due to other funds | - | 449 | 449 |
| Unsettled deposits | 34,957 | 12,309 | 47,266 |
| | <u>34,957</u> | <u>12,309</u> | <u>47,266</u> |
| Total Liabilities | <u>\$ 35,323</u> | <u>\$ 13,963</u> | <u>\$ 49,286</u> |

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the City Court of Crowley, Louisiana (the "City Court"), have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City Court are described below.

Financial Reporting Entity:

A financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary governments are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary Government -

The City Court was created under the authority of Louisiana Revised Statute (LSA-RS) 13:1952. Louisiana Revised Statutes provide for territorial jurisdiction, powers, authority, functions, election and/or appointment, tenure, and compensation of individuals. The City Judge is elected for a term of six years and receives an annual salary payable monthly by the City of Crowley (the "City") and the Acadia Parish Police Jury. The City Marshal's Office is administered by a separately elected City Marshal. These financial statements do not include separate funds received and administered directly by the City Marshal or by the City on behalf of the City Marshal's Fund.

Component Units -

GASB Statement No. 14, "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. A potential component unit must have separate corporate powers that distinguish it as being legally separate from the primary government. These include the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued in its own name without recourse to a state or local government, and the right to buy, sell, lease, and mortgage property in its own name.
2. The primary government must be financially accountable for a potential component unit. Financial accountability may exist as a result of the primary government appointing a voting majority of the potential component unit's governing body, their ability to impose their will on the potential component unit by significantly influencing the programs, projects, activities, or level of services performed or provided by the potential component unit, or the existence of a financial benefit or burden. In addition, financial accountability may also exist as a result of a potential component unit being fiscally dependent on the primary government

In some instances, the potential component unit should be included in the reporting entity (even when the criteria in No. 2 above are not met), if exclusion would render the reporting entity's financial statements incomplete or misleading.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

The City Court is fiscally dependent on the City for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the City Court is fiscally dependent upon the City, the City Court is determined to be a component unit of the City, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation:

The City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to the certain court functions or activities. The minimum number of funds maintained by the City Court is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The City Court's basic financial statements include both government-wide (reporting on the City Court as a whole) and fund financial statements (reporting on the City Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the City Court's operations are classified as governmental activities. The City Court does not have any business-type activities.

Government-Wide Financial Statements –

The government-wide financial statements include a statement of net assets and a statement of activities. These statements report financial information on all of the nonfiduciary activities of the City Court. In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column of the government-wide financial statements.

In the statement of net assets, the governmental type activities column (1) is presented on a consolidated basis by column, and (2) is reported using the economic resources measurement focus and the accrual basis of accounting, which recognizes all long-term assets as well as long-term liabilities. The City Court's net assets are reported in three parts: (1) invested in capital assets, (2) restricted net assets, and (3) unrestricted net assets. When both restricted and unrestricted resources are available for use, it is the City Court's policy to use restricted resources first, then unrestricted resources as needed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A "function" is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues include: (1) charges for services, fines, and forfeits, which report fees, fines, and forfeits, and other charges to users of the City Court's services, and (2) operating contributions which finance annual operating activities. Program revenues included in the statement of activities are derived directly from court users as a fee for services; program revenues reduce the cost of the function financed from the City Court's general revenues. Investment income and other revenue sources not properly included with program revenues are reported as general revenues.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

The City Court reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function. The City Court does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City Court as an entity and the change in the City Court's net assets resulting from the current year's activities.

Fund Financial Statements –

The fund financial statements provide information about the City Court's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major individual governmental funds, each reported in a separate column. The City Court does not have any nonmajor funds.

Governmental Funds:

Governmental funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies and general operating expenses of the Court.

The City Court reports the following major governmental funds:

City Court Fund – to account for the receipt of court costs derived from City charges and the payment of court expense reports as well as the operating expenses of the Court.

State Court Fund – to account for the receipt of court costs derived from State charges and the payment of court expense reports as well as the operating expenses of the Court.

Additionally, the City Court reports the following fund type:

Fiduciary Funds:

Agency Funds – to account for assets held by the City Court in a trustee capacity or as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations. All of the City Court's fiduciary activities are reported in a separate statement of fiduciary net assets. Since by definition these assets are being held for the benefit of a third party and cannot be used to finance activities of the City Court, these funds are not incorporated into the government-wide financial statements. The agency funds consist of the civil fund, judicial fees fund and restitution fund.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34, "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments", sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses or either fund category of the governmental and propriety funds combined) for the determination of major funds.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Basis of Accounting – Measurement Focus:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-Wide and Fiduciary Fund Financial Statements –

The government-wide and fiduciary fund financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements –

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of “available spending resources.” Operating statements of these funds present increases (i.e., revenues and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spending resources” during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. General capital asset acquisitions are reported as expenditures in governmental funds.

Major revenue sources susceptible to accrual include intergovernmental revenues and investment income. In general, other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Investments:

Under State Law, the City Court may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The City Court may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount.

Deposits:

The City Court is exposed to custodial credit risk as it relates to their deposits with financial institutions. The City Court’s policy to ensure there is no exposure is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage in the City Court’s name. These securities are to be held at a third party bank.

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds in the fund financial statements. Short-term interfund loans are classified as interfund receivables/payables in the fund financial statements.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Capital Assets and Depreciation:

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements –

The City Court's property and equipment with useful lives of more than one year are stated at historical costs and reported in the government-wide financial statements. Donated assets are stated at fair value at the date of donation. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal repairs and maintenance that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for furniture and equipment are 5-10 years.

Fund Financial Statements –

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Unsettled Deposits:

Unsettled deposits represent advances of money received in connection with civil suits. Plaintiffs are required to make an advance payment to this account to cover the costs incurred by the City Court in processing the suit. These cash advances remain in this account until they are earned by the City Court, at which time they are disbursed to the proper entities, or until the case has been dismissed and the remaining amount is refunded.

Equity Classifications:

Government-Wide Financial Statements –

The City Court's government-wide equity is reported as net position in two parts: (1) invested in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation, and (2) unrestricted net position – all other net position that do not meet the definition of "invested in capital assets".

Fund Financial Statements –

The City Court adopted GASB Statement 54 in the year ended August 31, 2011. As such, fund balances of the governmental funds are classified as follows:

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

Restricted – funds 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.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Committed – funds that are constrained by limitations that the government imposes on itself. These amounts are imposed at the highest level of authority. These amounts are binding unless removed in the same manner that it was imposed and any action must be taken prior to year-end.

Assigned – funds whose intended use has been established. These amounts can be, but are not required to be, imposed at the highest level of authority. They do not have to be binding and action does not have to be taken prior to year-end.

Unassigned – all other spendable amounts.

Fund balances for the periods ending August 31, 2015:

For year ended August 31, 2015

| | City Court Cost Fund | State Court Cost Fund | Judicial Building Fund | Other Govt Funds | Total |
|------------------------|-------------------------|--------------------------|---------------------------|---------------------|-----------|
| Unassigned | \$ (12,507) | \$ 59,678 | \$ 19,210 | \$ 5,031 | \$ 71,412 |
| Total Fund Balances | \$ (12,507) | \$ 59,678 | \$ 19,210 | \$ 5,031 | \$ 71,412 |

The City Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The City Court also considers committed fund balances to be spent first when other unrestricted fund balances classifications are available for use.

Compensated Absences:

The City Court employees follow the compensated absences policy of the City as described below.

After one year of employment, each full-time employee shall be entitled to one week paid vacation, which shall be taken within the next year of employment. After two consecutive years of employment, each full-time employee shall be entitled to two weeks paid vacation and for each year of employment thereafter. Annual vacation shall not be accumulated and shall be taken each year after being earned. Compensation in lieu of vacation shall not be paid, except upon termination of any employee, any accumulated vacation time shall be paid together with any wages due as of the effective date of the employee's termination.

The City Court does not have established policies relating to sick or compensatory leave.

Based on the above, no liability is recorded for accrued compensated absences in the financial statements as of August 31, 2015.

Interfund Transactions:

Quasi-external transactions are accounted for as revenues or expenditures/expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Legally authorized transfers are treated as operating transfers and are included in the results of operations. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

Impairment of Long-Lived Assets:

In August 2001, the Financial Accounting Standards Board (FASB) issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". FASB Statement No. 144 requires that a single accounting model be used for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations to include more disposal transactions. FASB Statement No. 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows are estimated to be generated by those assets are less than the assets carrying amounts. A review of such assets of the City Court has not indicated any material effect on the City Court's financial position or results of operations.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments 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. The City Court of Crowley recognizes deferred outflows of resources and deferred inflows of resources that are attributable to its pension plan.

Note 2. Cash and Cash Equivalents

Cash consists of funds in non-interest bearing checking accounts. The City Court of Crowley has no cash equivalents such as time deposits or money market accounts.

Note 3. Budgets

The City Court is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended, if necessary, prior to year-end.

Note 4. Deposits with Financial Institutions

At August 31, 2015, the Court had cash and noninterest-bearing deposits (bank balances) as follows:

| | |
|--|--------------------------|
| Demand Deposits | <u>\$ 189,875</u> |
| FDIC Insurance | \$ 250,000 |
| Pledged Securities | <u>67,414</u> |
| Total of pledged securities and FDIC Insurance | <u>\$ 317,414</u> |
| Excess of pledged securities and FDIC Insurance over demand deposits | <u><u>\$ 127,539</u></u> |

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At August 31, 2015, the carrying amount of the Court's deposits was \$169,719 and the bank balance was \$189,875. The deposits are secured from risk by \$ 250,000 of FDIC insurance and \$67,414 of pledged securities.

Note 5. Capital Assets

Capital assets activity for the year ended August 31, 2015 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|----------------|-----------|-------------------|
| Governmental activities: | | | | |
| Capital assets | | | | |
| Furniture and Equipment | \$ 155,130 | \$ 6,159 | \$ - | \$ 161,289 |
| Less: accumulated depreciation | (114,742) | (9,621) | - | (124,363) |
| Total governmental activities capital assets, net | \$ 40,388 | \$ (3,462) | \$ - | \$ 36,926 |

Depreciation expense for the year ended August 31, 2015 was charged as follows:

| | |
|--------------------------|----------|
| Governmental activities: | |
| General government | \$ 9,621 |

The land and building in which the City Court operates is owned by the City.

Note 6. Retirement

Louisiana State Employees' Retirement System

Plan Description:

The City Judge is a member of the Louisiana State Employees' Retirement System. The Louisiana Employees' Retirement System (the "System") is a cost-sharing multiple-employer public employee retirement system (PERS) established and provided for by Louisiana Revised Statutes 11:401-591. The System is controlled and administered by a separate Board of Trustees.

All State permanent employees are mandated by State Law to participate in the System and all elected or appointed officials are eligible to participate in the System. Employees who retire at any age with 18 years of creditable service as a Judge or City Court officer, at or after age 50 with 20 years of creditable service, at least 12 years as a Judge or City Court officer, at or after age 55 with 12 years of creditable service as a Judge or City Court officer, or after age 70 without regard to number of years of creditable service as a Judge or City Court officer are entitled to a retirement benefit. The benefit is based on the average earned compensation for the 36 highest successive months of service. The benefit is 3.5% times

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

the number of years of creditable service times the average compensation. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by State statute.

The Louisiana State Employees' Retirement System issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding Policy:

Plan members are required to contribute 11.5% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate set annually by the Public Retirement Systems Actuarial Committee. The current employer contribution rate is 41.5%. The City Court's contributions to the System for the year ended August 31, 2015 and 2014 respectively, were \$16,734 and \$19,940, which is equal to the required contributions for each year.

Municipal Employees Retirement System of Louisiana

Plan Description:

All full-time employees of the City Court of Crowley are members of the Municipal Employees Retirement System of Louisiana (MERS). This system is a cost-sharing, multiple-employee defined benefit plan administered by a separate board of trustees.

The City Court of Crowley participates in Plan A of the MERS. All permanent employees working at least 35 hours per week who are not covered by another public funded retirement system and under age 60 at date of employment are eligible to participate in the System. The retirement criteria for Plan A participants is as follows:

1. Twenty-five years of creditable service, regardless of age.
2. Age 60 with a minimum of ten or more years of creditable service.
3. Five years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years or more of creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan A consists of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

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

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Funding Policy:

Members of Plan A are required to contribute 9.5% of their annual covered salary and the City Court of Crowley is required to contribute at an actuarially determined rate. The current rate is 17.75% of annual covered payroll. The contribution requirement for the year ended August 31, 2015 was \$28,341, which consisted of \$19,136 from the City Court and \$9,205 from the employees.

Note 7. Interfund Transfers

Interfund transfers reported in the financial statements for the year ended August 31, 2015 consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------------------|----------------------|--------------------------|
| Major Governmental Fund: | | |
| City Court Fund | \$ 80,000 | \$ - |
| State Court Fund | - | 40,309 |
| Other Governmental Funds | 309 | - |
| Agency Funds | <u>-</u> | <u>40,000</u> |
| Total interfund transfers | <u>\$ 80,309</u> | <u>\$ 80,309</u> |

Transfers are used to allow unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers are not expected to be repaid within one year.

Note 8. Risk Management

The City Court is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City Court maintains an employee blanket bond to manage its exposure to fraud, illegal acts, and errors and omissions.

Note 9. Salaries and Benefits

Salaries include amounts paid for part-time office staff, as well as payments to the Clerk of Court and other full-time employees. Salaries do not include amounts paid by the Acadia Parish Police Jury and the City of Crowley to the City Judge, Clerk of Court, and other full-time employees. Employee benefits such as retirement and health insurance are also provided by the City of Crowley.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 10. Interfund Balances

Interfund balances reported in the financial statements of August 31, 2015 consisted of the following:

| | Receivables | Payables |
|------------------------|-------------|----------|
| Judicial Building Fund | \$ 655 | \$ - |
| State Court Cost | - | 205 |
| City Court Cost | - | 450 |
| Civil Fund | 449 | - |
| Judicial Fees Fund | - | 449 |
| | \$ 1,104 | \$ 1,104 |

Note 11. Operating Lease

City Court is engaged in an operating lease with Ricoh Business Solutions for the use of a copy machine. Total expenditures for the lease totaled \$4,810 for the year ended August 31, 2015. The future minimum rental payments for these leases are as follows:

| Year Ending August 31 | Amount |
|--------------------------|----------|
| 2016 | 3,151 |
| Total | \$ 3,151 |

Note 12. Pension Plan

For the purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and the Municipal Employees' Retirement Systems (MERS) and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Louisiana State Employees' Retirement System (LASERS)

Plan Description: Employees of the City Court are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. Permanent Benefit Increases/ Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2015 for the various plans follows:

| Plan | Plan Status | Employee Contribution Rate | Employer Contribution Rate |
|---|-------------|----------------------------|----------------------------|
| Appellate Law Clerks | Closed | 7.50% | 37.20% |
| Appellate Law Clerks hired on or after 7/01/06 | Open | 8.00% | 37.20% |
| Alcohol Tobacco Control | Closed | 9.00% | 33.30% |
| Bridge Police | Closed | 8.50% | 35.80% |
| Bridge Police hired on or after 7/01/06 | Closed | 8.50% | 35.80% |
| Corrections Primary | Closed | 9.00% | 32.60% |
| Corrections Secondary | Closed | 9.00% | 33.50% |
| Hazardous Duty | Open | 9.50% | 37.60% |
| Judges hired before 1/01/11 | Closed | 11.50% | 38.10% |
| Judges hired after 12/31/10 | Open | 13.00% | 39.30% |
| Legislators | Closed | 11.50% | 39.70% |
| Optional Retirement Plan (ORP) before 7/01/06* | Closed | 7.50% | 37.20% |
| Optional Retirement Plan (ORP) on or after 7/01/06* | Closed | 8.00% | 37.20% |
| Peace Officers | Closed | 9.00% | 35.30% |
| Regular Employees hired before 7/01/06 | Closed | 7.50% | 37.20% |
| Regular Employees hired on or after 7/01/06 | Closed | 8.00% | 37.20% |
| Regular Employees hired on or after 1/01/11 | Open | 8.00% | 37.20% |
| Special Legislative Employees | Closed | 9.50% | 39.70% |
| Wildlife Agents | Closed | 9.50% | 46.60% |

*For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate of 33.4% for 2016.

The City Court's contractually required composite contribution rate for the year ended June 30, 2015 was 38.10% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City Court were \$17,024 for the year ended August 31, 2015.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Relates to Pensions:

At August 31, 2015 the Employer reported a liability of \$149,769 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Court's proportion of the Net Pension Liability was based on a projection of the Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Court's proportion was 0.00220% which was a decrease of 0.00040% from its proportion measured as of June 30, 2014.

For the year ended August 31, 2015, the Court recognized pension expense of \$45,893.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------|--------------------------|---|
| Cash | 0% | 0.24% |
| Domestic equity | 27% | 4.56% |
| International equity | 30% | 5.67% |
| Domestic Fixed Income | 10% | 2.24% |
| International Fixed Income | 2% | 3.64% |
| Alternative Investments | 24% | 7.82% |
| Global Asset Allocation | 7% | 3.70% |
| Total | <u>100%</u> | 5.66% |

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of August 31, 2015 are as follows:

| | |
|--|---|
| Valuation Date | June 30, 2015 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 3 years. |
| Investment Rate of Return | 7.75% per annum. |
| Inflation Rate | 3.0% per annum. |
| Mortality | Non-disabled members- Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members- Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement. |
| Termination, Disability, and Retirement | Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members. |
| Salary Increases | Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are: |

| <u>Member Type</u> | <u>Lower Range</u> | <u>Upper Range</u> |
|--------------------|--------------------|--------------------|
| Regular | 4.0% | 13.0% |
| Judges | 3.0% | 5.5% |
| Corrections | 3.6% | 14.5% |
| Hazardous Duty | 3.6% | 14.5% |
| Wildlife | 3.6% | 14.5% |

| | |
|-----------------------------------|--|
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |
|-----------------------------------|--|

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

| | 1.0% Decrease (6.75%) | Current Discount Rate (7.75%) | 1.0% Increase (8.75%) |
|---|----------------------------------|--|----------------------------------|
| Employer's proportionate share of the net pension liability | \$ 189,041 | \$ 149,769 | \$ 116,418 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2015 Comprehensive Annual Financial Report at www.lasersonline.org.

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

Plan Description: Employees of the City Court are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Court are members of Plan A. The system issues a publicly available financial report that may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Benefits Provided: The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement: Any member of Plan A, who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

- a. Any age with twenty-five (25) or more years of creditable service.
- b. Age 60 with a minimum of ten (10) years of creditable service.
- c. Any age with five (5) years of creditable service eligible for disability benefits.
- d. Survivor's benefits require five (5) years creditable service at death of member.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

- e. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Eligibility for Retirement for Plan A members hired on or after January 1, 2013 is as follows:

- a. Age 67 with seven (7) or more years of creditable service.
- b. Age 62 with ten (10) or more years of creditable service.
- c. Age 55 with thirty (30) or more years of creditable service.
- d. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused sick leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP) Benefits: In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of MERS has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

Disability Benefits: For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid disability benefits equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age. Cost of Living Increases: MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits: Plan A provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement; benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2015 the actual employer contribution rate was 19.75% for Plan A. For the year ended June 30, 2015, the actuarially determined employer contribution rate was 22.92% for Plan A. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Contributions to the pension plan from the City Court were \$19,136 and \$21,774 for the years ended August 31, 2015 and 2014, respectively.

A summary of the actuarial methods and assumptions used in determining the total pension liability of MERS as of June 30, 2015 are as follows:

| | |
|----------------------------------|--|
| Valuation Date | June 30, 2015 |
| Actuarial cost method | Entry Age Normal Cost |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 4 years |
| Investment Rate of Return | 7.75%, net of investment expense |
| Inflation Rate | 3.0% per annum |
| Salary Increases | 5.75 percent, average, including inflation and merit |
| Mortality rates | RP-2000 Employee Table for active members RP-2000 Healthy Annuitant Table for healthy annuitants RP-2000 Disabled Lives Mortality Tables for disabled annuitants |

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a reliable experience. The aggregated data was collected over the period July 1, 2006 through June 30, 2010. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

Discount rate: The discount rate used to measure MERS’s total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of MERS’s actuary. Based on those assumptions, MERS’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents MERS’s net pension liability of the participating employer’s calculated using the discount rate of 7.75%, as well as what the employer’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2015:

| | 1% Decrease 6.75% | Current Discount Rate 7.75% | 1% Increase 8.75% |
|-----------------------|----------------------|-----------------------------------|-------------------------|
| Net Pension Liability | \$ 273,194 | \$ 208,753 | \$ 153,849 |

Change in Net Pension Liability: The changes in MERS’s net position liability for the year ended June 30, 2015 were recognized in the current reporting period except as follows:

- a. Differences between Expected and Actual Experience- Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in no deferred inflow of resources for Plan A, for the year ended June 30, 2015.
- b. Differences between Projected and Actual Investment Earnings- Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$8,631 for Plan A, for the year ended August 31, 2015.
- c. Change in Proportion- Changes in the employer’s proportionate share of MERS’s collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer’s pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred inflow of resources in the amount of \$114,520 for Plan A, for the year ended June 30, 2015.
- d. Contributions- Proportionate Share: Differences between contributions remitted to MERS and the employer’s proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

that could arise between contributions reported by MERS and contributions reported by the participating employer.

Payables to the Pension Plan: At August 31, 2015 the City Court reported a payable of \$2,389 for the outstanding amount of contributions due to the System for the year.

At August 31, 2015, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ 200 | \$ 1,227 |
| Changes of assumptions | \$ 17,439 | \$ - |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | \$ 98,860 | \$ 73,530 |
| Net differences between projected and actual earnings on plan investments | \$ 26,518 | \$ 8,766 |
| Contributions subsequent to the measurement date | <u>\$ 5,817</u> | <u>\$ -</u> |
| Total | <u><u>\$ 148,834</u></u> | <u><u>\$ 83,523</u></u> |

Deferred outflows of resources of \$5,817 related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended August 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Louisiana State Employees Retirement System (LASERS):

| Measurement Year Ended June 30, | |
|---------------------------------------|-------------|
| <u>2017</u> | \$ (38,770) |
| 2018 | \$ (37,543) |
| 2019 | \$ (1,123) |
| 2020 | \$ 3,232 |

Municipal Employees' Retirement System of Louisiana (MERS)

| Measurement Year Ended June 30, | |
|---------------------------------------|-----------|
| <u>2016</u> | \$ 67,227 |
| 2017 | \$ 71,150 |
| 2018 | \$ 5,760 |
| 2019 | \$ 9,239 |

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 13. Recently Issued Accounting Pronouncements

In June 2012, the GASB approved Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. The provisions of GASB Statement No. 68 were implemented by the City Court during the year ending August 31, 2015.

The effect of the new accounting pronouncement resulted in a restatement of previously reported net position as follows:

| | |
|--|----------------------------|
| Total net position 8/31/14, as previously reported | \$ 104,924 |
| Net pension liability | <u>\$ (225,698)</u> |
| Net position, restated | <u><u>\$ (120,774)</u></u> |

Note 14. Deficit in Net Position

The Court has a deficit in net position of (\$135,935) caused by the net pension liability of \$309,584.

Note 15. Litigation

As of August 31, 2014 per their attorney, Thomas K. Regan, City Court of Crowley is a defendant in a lawsuit titled *Stina Broussard, Lynette E. Simar and Maria Simon vs. Crowley City Court and Broussard, Poche, Lewis & Breaux, LLP*. This lawsuit has been filed in Acadia Parish, Louisiana as docket no. 201211260. A petition against the Court with a cross claim against Broussard, Poche, Lewis & Breaux, LLP for indemnification in the event any liability against the Court is found. It is the plan of the Court to contest the liability vigorously since the Court contracted with the accounting firm to provide accounting services and specifically payroll management for employees in addition to compliance auditing of the Court's financial statements. There are additional motions and defenses asserted as well as the claim for indemnification which indicates a low probability of success against the Court. The potential for financial impact as claimed by the Petitioners is the actuarial cost for the purchase of the service credits the employees claim they were entitled to. That calculation was made by the Municipal Employee Retirement Systems actuarial consultants and is set forth in a letter from GS Curran & Co. dated July 9, 2012. The estimated total amount for the employees' actuarial costs of purchase is approximately \$440,000. The Third Party Demand against Broussard, Poche, Lewis & Breaux has been dismissed per Judgment dated October 8, 2014.

Note 16. Evaluation of Subsequent Events

The City Court of Crowley has evaluated subsequent events through February 25, 2016, the date which the financial statements were available to be issued.

Required Supplemental Information

CITY COURT OF CROWLEY, LOUISIANA

CITY COURT COSTS FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2015

| | 2015 | | | Variance-- Positive (Negative) |
|--|-------------------|-------------------|-------------------|--------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| City court costs | \$ 330,000 | \$ 235,000 | \$ 225,718 | \$ (9,282) |
| Appropriation from City of Crowley | 40,000 | 40,000 | 40,000 | - |
| Miscellaneous income | - | - | - | - |
| Total Revenues | \$ 370,000 | \$ 275,000 | \$ 265,718 | \$ (9,282) |
| Expenditures: | | | | |
| Current - | | | | |
| General government: | | | | |
| Salaries, payroll taxes, and retirement | \$ 152,950 | \$ 153,500 | \$ 153,475 | \$ 25 |
| Office Expenses | 4,300 | 1,000 | 231 | 769 |
| Fines and fees | 256,200 | 173,700 | 177,771 | (4,071) |
| Professional services | 2,000 | 100 | - | 100 |
| Miscellaneous | 1,551 | 700 | 1,461 | (761) |
| Total | \$ 417,001 | \$ 329,000 | \$ 332,937 | \$ (3,937) |
| Capital Outlay | \$ - | \$ - | \$ - | - |
| Total expenditures | \$ 417,001 | \$ 329,000 | \$ 332,937 | \$ (3,937) |
| Excess (deficiency) of revenues over expenditures: | \$ (47,001) | \$ (54,000) | \$ (67,219) | \$ (13,219) |
| Other sources (uses): | | | | |
| Transfers to Judicial Bldg. Fund | \$ (14,000) | \$ - | \$ - | \$ - |
| Transfers to State Court Cost Fund | - | - | - | - |
| Transfers to TASC | - | - | - | - |
| Transfers to Juvenile Fund | - | - | - | - |
| Transfers to Cash Bond Fund | - | - | - | - |
| Transfers to Judicial Fees Fund | - | - | - | - |
| Transfers from TASC | - | - | - | - |
| Transfers from Cash Bond Fund | - | - | - | - |
| Transfers from State Court Cost Fund | 70,000 | 40,000 | 40,000 | - |
| Transfers from Civil Fund | 40,000 | 40,000 | 40,000 | - |
| Transfers from Judicial Bldg. Fund | - | - | - | - |
| City of Crowley Insurance Claim | - | - | - | - |
| Total Transfers (Uses) | \$ 96,000 | \$ 80,000 | \$ 80,000 | \$ - |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | \$ 48,999 | \$ 26,000 | \$ 12,781 | \$ (13,219) |
| Fund balance, beginning of year | \$ (25,288) | \$ (25,288) | \$ (25,288) | \$ - |
| Fund balance, end of year | \$ 23,711 | \$ 712 | \$ (12,507) | \$ (13,219) |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATE COURT COSTS FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2015

| | 2015 | | | Variance-- Positive (Negative) |
|--|--------------------|--------------------|--------------------|--------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| State court costs | \$ 110,000 | \$ 105,000 | \$ 100,422 | \$ (4,578) |
| Appropriation from Police Jury | <u>38,500</u> | <u>50,000</u> | <u>50,000</u> | <u>-</u> |
| Total Revenues | <u>\$ 148,500</u> | <u>\$ 155,000</u> | <u>\$ 150,422</u> | <u>\$ (4,578)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government: | | | | |
| Office Expenses | \$ - | \$ 15,000 | \$ 7,258 | \$ 7,742 |
| Fines and fees | 69,350 | 73,950 | 63,756 | 10,194 |
| Professional services | 14,500 | 14,500 | 17,845 | (3,345) |
| Retirement | 4,250 | - | - | - |
| District attorney fees | 8,350 | 8,350 | 6,964 | 1,386 |
| Miscellaneous | <u>6,425</u> | <u>6,400</u> | <u>11,392</u> | <u>(4,992)</u> |
| Total general government | <u>\$ 102,875</u> | <u>\$ 118,200</u> | <u>\$ 107,215</u> | <u>\$ 10,985</u> |
| Capital Outlay | <u>\$ 630</u> | <u>\$ 630</u> | <u>\$ -</u> | <u>630</u> |
| Total expenditures | <u>\$ 103,505</u> | <u>\$ 118,830</u> | <u>\$ 107,215</u> | <u>\$ 11,615</u> |
| Excess (deficiency) of revenues over expenditures: | <u>\$ 45,625</u> | <u>\$ 36,170</u> | <u>\$ 43,207</u> | <u>\$ 6,407</u> |
| Other sources (uses): | | | | |
| Transfers to Juvenile Fund | \$ - | \$ - | \$ - | \$ - |
| Transfers to Judicial Bldg. Fund | (3,700) | - | (309) | (309) |
| Transfers to City Fund | <u>(70,000)</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>-</u> |
| Transfers to TASC | - | - | - | - |
| Transfers to Civil Fund | - | - | - | - |
| Transfers to Cash Bond Fund | - | - | - | - |
| Transfers from TASC | - | - | - | - |
| Transfers from Cash Bond Fund | 200 | - | - | - |
| Transfers from City Fund | 400 | - | - | - |
| Transfers from Civil Fund | 100 | - | - | - |
| Transfers from Judicial Bldg. Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other sources (uses) | <u>\$ (73,000)</u> | <u>\$ (40,000)</u> | <u>\$ (40,309)</u> | <u>\$ (309)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>\$ (27,375)</u> | <u>\$ (3,830)</u> | <u>\$ 2,898</u> | <u>\$ 6,098</u> |
| Fund balance, beginning of year | <u>\$ 56,780</u> | <u>\$ 56,780</u> | <u>\$ 56,780</u> | <u>\$ -</u> |
| Fund balance, end of year | <u>\$ 29,405</u> | <u>\$ 52,950</u> | <u>\$ 59,678</u> | <u>\$ 6,098</u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

For the Year Ended August 31, 2015

Note 1. Budgets and Budgetary Accounting

The City Court is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended, if necessary, prior to year-end.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final budget made during the year.

CITY COURT OF CROWLEY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the year ended August 31, 2015

Louisiana State Employees' Retirement System (LASERS)

| <u>Year ended</u> | <u>Employer Proportion of the Net Pension Liability (Asset)</u> | <u>Employer's Proportionate Share of the Net Pension Liability</u> | <u>Employer's Covered-Employee Payroll</u> | <u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|-------------------|---|--|--|--|---|
| 2015 | 0.00260% | \$ 162,700 | \$ 46,800 | 347.6% | 65% |
| 2016 | 0.00220% | \$ 149,769 | \$ 41,300 | 362.6% | 62.7% |

Louisiana Municipal Employees' Retirement System (MERS)

| | | | | | |
|------|-------|------------|------------|--------|--------|
| 2016 | 0.06% | \$ 208,753 | \$ 113,740 | 183.5% | 66.18% |
|------|-------|------------|------------|--------|--------|

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

Schedule of Employer Contributions
For the year ended August 31, 2015

| Louisiana State Employees' Retirement System (LASERS) | | | | | | |
|---|--|--|--|---|--|---|
| <u>Year ended August 31,</u> | <u>Contractually Required Contribution</u> | <u>Contractually Required Contribution</u> | <u>Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
| 2015 | \$ 17,024 | \$ 17,024 | | \$ - | \$ 41,300 | 41% |
| Louisiana Municipal Employees' Retirement System (MERS) | | | | | | |
| 2015 | \$ 25,023 | \$ 19,698 | | \$ 5,325 | \$ 113,740 | 17% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this statement.

Other Supplemental Information

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF EXPENDITURES - CITY COURT COST

August 31, 2015

| | <u>2015</u> |
|--|--------------------------|
| Expenditures: | |
| General Government--Judicial | |
| Office supplies | \$ 231 |
| Crime lab | 30,901 |
| Salaries | 113,740 |
| Indigent defender | 44,516 |
| Crime victim reparation | 8,700 |
| LA state retirement | 17,024 |
| Payroll taxes | 3,575 |
| Convention | 29 |
| Law enforcement commission | 798 |
| Dues & subscriptions | 35 |
| Trial court mgmt info systems | 2,952 |
| Audit & accounting | - |
| Traumatic head & spinal cord injury | 1,235 |
| Insurance | 100 |
| Fines | 61,397 |
| Off duty officer fees | 10,192 |
| Restitution | 549 |
| Consulting | - |
| Refunds | 100 |
| Acadia crime stoppers | 2,004 |
| Marshal services | 14,930 |
| Travel Expense | - |
| Employer retirement contribution | 19,136 |
| Miscellaneous expense | 793 |
| Total General Government | <u>\$ 332,937</u> |
| Capital Outlay | <u>\$ -</u> |
| Total Expenditures | <u><u>\$ 332,937</u></u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF EXPENDITURES - STATE COURT COSTS

August 31, 2015

| | <u>2015</u> |
|--|-------------------|
| Expenditures: | |
| General Government--Judicial | |
| Office supplies | \$ 6,773 |
| Crime lab | 11,946 |
| Indigent defender | 13,467 |
| Crime victim reparation | 2,078 |
| Audit & accounting | 17,845 |
| Convention | - |
| Miscellaneous | 5,225 |
| Trial court mgmt info system | 726 |
| Traumatic head & spinal cord injury | 218 |
| Drug abuse education & treatment fund | 1,126 |
| Seminars & training | 1 |
| District attorney fees | 6,964 |
| Crime stoppers | 594 |
| Repairs & maintenance | 565 |
| Marshal's Fund | 4,005 |
| Reimbursements | 203 |
| Fines | 25,800 |
| DWI Testing | 100 |
| Restitution | 5,735 |
| Intox | 150 |
| Refunds | - |
| Law Enforcement Training | 540 |
| Off duty officers fees | 3,154 |
| Total Expenditures | <u>\$ 107,215</u> |

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the Year Ended August 31, 2015

Agency Head Name: The Honorable Judge Marie B. Trahan

| Purpose | Amount |
|--|---------------|
| Salary* | \$ 82,502 |
| Benefits-insurance | - |
| Benefits-retirement* | 33,596 |
| Benefits-other | - |
| Car allowance | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Dues | 1,665 |
| Registration fees | 1,700 |
| Conference travel | 990 |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |
| Other | 48 |
| | <hr/> |
| | \$ 120,501 |

* Includes amounts paid by the Acadia Parish Police Jury and City of Crowley, Louisiana.

The accompanying notes are an integral part of this statement.

**Compliance, Internal Control
and Other Information**

Thibodeaux Accounting Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 The Boulevard, Suite B • Rayne, Louisiana 70578 • (337) 334-7251 FAX (337) 334-7002

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 Marie B. Trahan
City Judge
City Court of Crowley
Crowley, 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, each major fund, and the aggregate remaining fund information of City Court of Crowley, Louisiana, a component unit of the City of Crowley, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise City Court of Crowley's basic financial statements and have issued our report thereon dated February 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City Court of Crowley'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 City Court of Crowley's internal control. Accordingly, we do not express an opinion on the effectiveness of City Court of Crowley'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Crowley'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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
February 25, 2016

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended August 31, 2015

There were no prior year findings.

CITY COURT OF CROWLEY, LOUISIANA

Schedule of Findings
Year Ended August 31, 2015

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the City Court of Crowley, Louisiana's basic financial statements as of and for the year ended August 31, 2015.

Internal Control - Financial Reporting

There were no significant deficiencies in internal control over financial reporting that were disclosed by the audit of the financial statements for the period ended August 31, 2015.

Material Noncompliance – Financial Reporting

The results of our tests did not disclose any instances of noncompliance required to be reported under *Government Auditing Standards*.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

There were no current year audit findings.

CITY COURT OF CROWLEY, LOUISIANA

Corrective Action Plan
Year Ended August 31, 2015

There were no current year audit findings for the period ended August 31, 2015.