

**CITY COURT OF CROWLEY, LOUISIANA**

**Financial Report**

**Year Ended August 31, 2020**

**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, 2020, 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, 2020, 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 34-36 and the schedule of employer's share of net pension liability and the schedule of employer contributions on pages 37-39 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 41-42 and the schedule of compensation, benefits and other payments to Agency Head or Chief Executive on page 43 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 and the schedule of compensation, benefits and other payments to Agency Head or Chief Executive 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 22, 2021, 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 22, 2021

**Basic Financial Statements**  
**Government-Wide Financial Statements (GWFS)**

## CITY COURT OF CROWLEY, LOUISIANA

## STATEMENT OF NET POSITION

Year Ended August 31, 2020

With Comparative Actual Amounts for Year Ended August 31, 2019

	Governmental Activities	TOTALS 2020	(Memo Only) 2019
<b>ASSETS</b>			
Cash	\$ 216,579	\$ 216,579	\$ 258,596
Accounts receivable	8,221	8,221	-
Due from other funds	-	-	-
Capital assets, depreciable, net	<u>23,046</u>	<u>23,046</u>	<u>18,140</u>
Total Assets	<u>247,846</u>	<u>247,846</u>	<u>\$ 276,736</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension related	<u>64,269</u>	<u>64,269</u>	<u>46,087</u>
Total Deferred Outflows of Resources	<u>64,269</u>	<u>64,269</u>	<u>46,087</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>312,115</u>	<u>312,115</u>	<u>322,823</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 66,330	\$ 66,330	\$ 95,135
Due to other funds	-	-	-
Noncurrent Liabilities:			
Compensated absences	12,686	12,686	8,311
Net Pension Liability	<u>373,469</u>	<u>373,469</u>	<u>344,694</u>
Total Liabilities	<u>\$ 452,485</u>	<u>\$ 452,485</u>	<u>\$ 448,140</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension related	<u>5,593</u>	<u>5,593</u>	<u>12,478</u>
Total Deferred Inflows of Resources	<u>5,593</u>	<u>5,593</u>	<u>12,478</u>
<b>NET POSITION</b>			
Invested in capital assets	\$ 23,046	\$ 23,046	\$ 18,140
Unrestricted	<u>(169,009)</u>	<u>(169,009)</u>	<u>(155,935)</u>
Total Net Position	<u>\$ (145,963)</u>	<u>\$ (145,963)</u>	<u>\$ (137,795)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 312,115</u>	<u>\$ 312,115</u>	<u>\$ 322,823</u>

The accompanying notes are an integral part of this statement.

## CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF ACTIVITIES  
Year Ended August 31, 2020

With Comparative Actual Amounts for Year Ended August 31, 2019

Function / Program	Expenses	Program Revenues		Net (Expense)	2019 (Memo Only)
		Charges for Services, Fines, and Forfeits	Operating Contributions	Revenue and Change in Net Position	
				2020	
				Governmental Activities	
Governmental activities:					
General government	\$ 813,348	\$ 760,180	\$ 25,000	\$ (28,168)	\$ (11,181)
General revenues and transfers:					
Transfers				20,000	20,000
Change in net position				\$ (8,168)	\$ 8,819
Net position, beginning				(137,795)	(146,614)
Net position, ending				\$ (145,963)	\$ (137,795)

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, 2020

With Comparative Actual Amounts for Year Ended August 31, 2019

	City Court Fund	State Court Fund	Other Governmental Funds	TOTALS	
				2020	(Memo Only) 2019
<b>ASSETS</b>					
Cash	\$ 107,066	\$ 86,672	\$ 22,841	\$ 216,579	\$ 258,599
Accounts Receivable	1,890	2,781	3,550	8,221	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 108,956</u>	<u>\$ 89,453</u>	<u>\$ 26,391</u>	<u>\$ 224,800</u>	<u>\$ 258,599</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 63,142	\$ 3,188	-	\$ 66,330	\$ 95,135
Due to other funds	-	-	-	-	-
Total Liabilities	<u>\$ 63,142</u>	<u>\$ 3,188</u>	<u>\$ -</u>	<u>\$ 66,330</u>	<u>\$ 95,135</u>
<b>FUND BALANCES</b>					
Unassigned	<u>45,814</u>	<u>86,265</u>	<u>26,391</u>	<u>158,470</u>	<u>163,464</u>
Total Liabilities and Fund Balances	<u>\$ 108,956</u>	<u>\$ 89,453</u>	<u>\$ 26,391</u>	<u>\$ 224,800</u>	<u>\$ 258,599</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, 2020

Total fund balances - Governmental funds	\$ 158,470
Total net assets for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.	
Capital assets, net	23,046
Compensated absences	(12,686)
Deferred Outflows	64,269
Net pension liability	(373,469)
Deferred Inflows	<u>(5,593)</u>
Net Position of Governmental Activities	<u>\$ (145,963)</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, 2020

With Comparative Actual Amounts for Year Ended August 31, 2019

	City Court Fund	State Court Fund	Other Government Funds	TOTALS	
				2020	(Memo Only) 2019
Revenues:					
Fines and forfeits	\$ 639,801	\$ 73,843	\$ 38,315	\$ 751,959	\$ 313,553
Intergovernmental	10,000	15,000	-	25,000	80,000
Miscellaneous income	1,890	2,781	3,550	8,221	-
Total Revenues	<u>\$ 651,691</u>	<u>\$ 91,624</u>	<u>\$ 41,865</u>	<u>\$ 785,180</u>	<u>\$ 393,553</u>
Expenditures:					
Current -					
General government:					
Salaries, payroll taxes, and retirement	\$ 155,725	\$ -	\$ -	\$ 155,725	\$ 144,134
Office Expenses	551	8,018	14,833	23,402	13,970
Fines and fees	541,033	45,970	-	587,003	203,535
Professional services	2,325	9,500	-	11,825	13,325
Juvenile housing costs	-	-	-	-	-
District attorney fees	-	4,968	-	4,968	4,552
Miscellaneous	2,600	7,331	6,348	16,279	20,293
Total general government	\$ 702,234	\$ 75,787	\$ 21,181	\$ 799,202	\$ 399,809
Capital Outlay	-	-	10,969	10,969	6,270
Total expenditures	<u>\$ 702,234</u>	<u>\$ 75,787</u>	<u>\$ 32,150</u>	<u>\$ 810,171</u>	<u>\$ 406,079</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (50,543)</u>	<u>\$ 15,837</u>	<u>\$ 9,715</u>	<u>\$ (24,991)</u>	<u>\$ (12,526)</u>
Other sources (uses):					
Transfers out	\$ -	\$ (20,000)	\$ -	\$ (20,000)	\$ (40,000)
Transfers in	40,000	-	-	40,000	60,000
Total other sources (uses):	<u>\$ 40,000</u>	<u>\$ (20,000)</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (10,543)</u>	<u>\$ (4,163)</u>	<u>\$ 9,715</u>	<u>\$ (4,991)</u>	<u>\$ 7,474</u>
Fund balances, beginning	<u>56,356</u>	<u>90,426</u>	<u>16,679</u>	<u>163,461</u>	<u>155,987</u>
Fund balance, ending	<u>\$ 45,813</u>	<u>\$ 86,263</u>	<u>\$ 26,394</u>	<u>\$ 158,470</u>	<u>\$ 163,461</u>

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, 2020

Net Change in Fund Balances - Total Governmental Funds		\$	(4,991)
<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	\$ 10,969		
Depreciation expense	<u>(6,063)</u>	\$	4,906
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>			
Increase in Compensated Allowances		\$	(4,375)
<p>The change in other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds.</p>			
Net change in pension liability and deferred inflows/outflows of resources		<u>\$</u>	<u>(3,708)</u>
Change in Net Position of Governmental Activities		<u>\$</u>	<u>(8,168)</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, 2020

With Comparative Actual Amounts for Year Ended August 31, 2019

	Civil Fund	Judicial Fees Fund	Other Agency Fund	TOTALS	
				2020	(Memo Only) 2019
<b>ASSETS</b>					
Cash held in trust	\$ 100,139	\$ 56,368	\$ 1,680	\$ 158,187	\$ 131,475
Other receivables	360	-	-	360	-
Due from other funds	-	-	-	-	263
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263</u>
 Total Assets	 <u>\$ 100,499</u>	 <u>\$ 56,368</u>	 <u>\$ 1,680</u>	 <u>\$ 158,547</u>	 <u>\$ 131,738</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 9,619	\$ 391	\$ -	\$ 10,010	\$ 9,558
Due to other funds	-	-	-	-	-
Unsettled deposits	90,880	55,977	1,680	148,537	122,180
	<u>90,880</u>	<u>55,977</u>	<u>1,680</u>	<u>148,537</u>	<u>122,180</u>
 Total Liabilities	 <u>\$ 100,499</u>	 <u>\$ 56,368</u>	 <u>\$ 1,680</u>	 <u>\$ 158,547</u>	 <u>\$ 131,738</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.

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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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 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 position 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 position 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 position, 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, and (3) unrestricted. 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.

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.



**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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 position 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. A fund is considered major if it is the primary operating fund of the entity or total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund is at least 10 percent of the corresponding total for all 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.

**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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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.

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

## CITY COURT OF CROWLEY, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

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 – all other net position that do not meet the definition of “invested in capital assets”. The City Court does not have any restricted net position.

##### Fund Financial Statements –

In the fund financial statements, governmental fund equity is classified as fund balance. 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.

*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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Fund balances for the periods ending August 31, 2020:

For year ended August 31, 2020

	City Court Cost Fund	State Court Cost Fund	Other Govt Funds	Total
Unassigned	\$ 45,814	\$ 86,265	\$ 26,394	\$ 158,473
Total Fund Balances	<u>\$ 45,814</u>	<u>\$ 86,265</u>	<u>\$ 26,394</u>	<u>\$ 158,473</u>

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.

Employees are granted the following paid vacation days based on years of service: 1 year – 5 days, 2-5 years – 10 days; 6-10 years – 14 days; 11-15 years – 16 days; 16-25 years – 18 days and 26 or more years – 20 days. 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.

After one year of employment, all full time employees shall be entitled to ten (10) days sick leave during each calendar year, which leave may be accumulated for a three-year period for a term of thirty (30) full days if not used during the year in which same accrued. An employee must notify the Clerk of Court as soon as possible of the occurrence of a non-occupational illness or injury.

Compensated absences (sick leave) totals \$12,686 as of August 31, 2020.

**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.

**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.

**CITY COURT OF CROWLEY, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**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, 2020, the Court had cash and noninterest-bearing deposits (bank balances) as follows:

Demand Deposits	<u>\$ 428,802</u>
FDIC Insurance	\$ 250,000
Pledged Securities	<u>229,614</u>
Total of pledged securities and FDIC Insurance	<u>\$ 479,614</u>
Excess of pledged securities and FDIC Insurance over demand deposits	<u><u>\$ 50,812</u></u>

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, 2020, the carrying amount of the Court's deposits was \$374,770 and the bank balance was \$428,802. The deposits are secured from risk by \$ 250,000 of FDIC insurance and \$229,614 of pledged securities.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 5. Capital Assets**

Capital assets activity for the year ended August 31, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets				
Furniture and Equipment	\$ 169,581	\$ 10,969	\$ -	\$ 180,550
Less: accumulated depreciation	<u>(151,441)</u>	<u>(6,063)</u>	<u>-</u>	<u>(157,504)</u>
 Total governmental activities capital assets, net	 <u>\$ 18,140</u>	 <u>\$ 4,906</u>	 <u>\$ -</u>	 <u>\$ 23,046</u>

Depreciation expense for the year ended August 31, 2019 was charged as follows:

Governmental activities:	
General government	<u>\$ 6,063</u>

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

**Note 6. Interfund Transfers**

Interfund transfers reported in the financial statements for the year ended August 31, 2020 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
City Court Fund	\$ 40,000	\$ -
State Court Fund	-	20,000
Other Governmental Funds	-	-
Agency Funds	<u>-</u>	<u>20,000</u>
 Total interfund transfers	 <u>\$ 40,000</u>	 <u>\$ 40,000</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 7. 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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 8. 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.

**Note 9. Interfund Balances**

Interfund balances reported in the financial statements of August 31, 2020 consisted of the following:

	Receivables	Payables
Judicial Building Fund	\$ -	\$ -
State Court Cost	-	-
City Court Cost	-	-
Civil Fund	-	-
Judicial Fees Fund	-	-
	-	-
	\$ -	\$ -

**Note 10. Operating Lease**

City Court was engaged in an operating lease with TIAA Bank for the use of a copy machine. The lease term was sixty months which began in March of 2018. Total expenditures for this lease totaled \$2,998 for the year ended August 31, 2020. The future minimum rental payments for these leases are as follows:

Year Ending August 31	Amount
2021	2,508
2022	2,508
2023	1,254
Total	\$ 6,270

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 11. Retirement Benefits**

***Plan Descriptions***

**Louisiana State Employees' Retirement System (LASERS)**

The City Judge is provided with a pension 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 RS 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](http://www.lasersonline.org).

**Municipal Employees' Retirement System of Louisiana (MERS)**

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***

**LASERS**

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 rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. 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. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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 benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.



**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, 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. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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.

**MERS**

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.
- 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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

***Deferred Retirement Benefits***

**LASERS**

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.

**MERS**

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***

**LASERS**

Generally, active 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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**MERS**

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 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.

***Survivor's Benefits***

**LASERS**

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.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

**MERS**

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.

***Permanent Benefit Increases/Cost-of-Living Adjustments***

**LASERS**

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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.

**MERS**

The System 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 the System to grant additional cost of living increases 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.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

***Deferred Benefits***

**MERS**

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***

**LASERS**

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with the employer portion of the contribution.

The rates in effect during the year ending June 30, 2021 and during the year ended June 30, 2020 related to the City Court were as follows:

<b>Plan</b>	<b>Plan Status</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate 2020</b>	<b>Employer Contribution Rate 2021</b>
Judges hired before 1/1/11	Closed	11.5%	42.4%	42.5%

The City Court's contractually required composite contribution rate for the period from September 1, 2019 to June 30, 2020 was 42.4%, and for the period from July 1, 2020 to August 31, 2020 was 42.5%, 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 \$17,306 for the year ended August 31, 2020.

**MERS**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021 and for the year ended June 30, 2020, the actual employer contribution rate was 29.5% and 27.75%, respectively, for Plan A. For the year ended June 30, 2021 and 2020, the actuarially determined employer contribution rate was 29.18% and 29.28%, respectively, 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. Contributions to the pension plan from the City Court were \$25,029 for the year ended August 31, 2020.

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 nonemployer contributing entities, but are not considered special funding situations.

**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 Related to Pensions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City Court's proportion of the net pension liability for LASERS and MERS was based on a projection of the City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The following table reflects the City Court's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020 and the change compared to the June 30, 2019 proportion.

	<b>Net Pension Liability at June 30, 2020</b>	<b>Proportion at June 30, 2020</b>	<b>Increase (Decrease) to June 30, 2019 Proportion</b>
<b>LASERS</b>	\$ 170,541	0.002062%	(0.000075)%
<b>MERS</b>	202,928	0.046937%	0.001499%
	<u>\$ 373,469</u>		

The following table reflects the City Court's recognized pension expense plus the City Court's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended August 31, 2020.

	<b>Pension Expense</b>	<b>Amortization</b>	<b>Total</b>
<b>LASERS</b>	\$ 21,973	\$ (7,863)	\$ 14,110
<b>MERS</b>			
	<u>\$ 57,230</u>	<u>\$ (32,899)</u>	<u>\$ 24,331</u>

At August 31, 2020, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u><b>LASERS</b></u>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (1,638)
Changes in assumptions	24,930	-
Net difference between projected and actual earnings on pension plan investments	546	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(2,744)
Employer contributions subsequent to the measurement date	2,890	-
<b>Total LASERS</b>	<u>\$ 28,366</u>	<u>\$ (4,382)</u>

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

<b><u>MERS</u></b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 94	\$ (1,150)
Changes in assumptions	20,750	-
Net difference between projected and actual earnings on pension plan investments	3,414	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,422	(61)
Employer contributions subsequent to the measurement date	4,723	-
<b>Total MERS</b>	<b>\$ 35,903</b>	<b>\$ (1,211)</b>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>LASERS</b>	\$ 28,366	\$ (4,382)
<b>MERS</b>	35,903	(1,211)
	<b>\$ 64,269</b>	<b>\$ (5,593)</b>

Deferred outflows of resources related to pensions resulting from the City Court's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending August 31, 2021.

The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	<b>Subsequent Contributions</b>
<b>LASERS</b>	\$ 2,890
<b>MERS</b>	4,723
	<b>\$ 7,613</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending August 31:</b>	<b>LASERS</b>	<b>MERS</b>	<b>Total</b>
2021	\$ 431	\$ 14,058	\$ 14,489
2022	7,189	8,341	15,530
2023		4,601	12,305
2024		2,969	8,739
	<b>\$ 21,094</b>	<b>\$ 29,969</b>	<b>\$ 51,063</b>

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

	<b>LASERS</b>	<b>MERS</b>
<b>Valuation Date</b>	June 30, 2020	June 30, 2020
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal
<b>Amortization Approach</b>		
<b>Actuarial Assumptions:</b>		
<b>Expected Remaining Service Lives</b>	2 years	3 years
<b>Investment Rate of Return</b>	7.55% per annum.	6.95% per annum.
<b>Inflation Rate</b>	2.3% per annum.	2.5% per annum.
<b>Salary Increases</b>	2.6% - 5.1%	4.5% - 6.4%
<b>Cost of Living Adjustments</b>	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.	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 present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
<b>Mortality</b>	<p>Non-disabled members - Mortality rates based on the RP-2014 Blue Collar (males.females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational bases by Mortality Improvement Scale MP-2018.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>	<p>Annuitant and beneficiary mortality - PubG-2010(B), Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>Employee mortality – PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.</p> <p>Disabled lives mortality – PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.</p>
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2013-2018) experience study of the System's members.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

<b>LASERS</b>	<b>MERS</b>
<p>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 expenses 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 resulting expected long-term rate of return is 8.25% for 2020.</p>	<p>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 expenses 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.</p>

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2020:

<b>Asset Class</b>	<b>Target Allocation</b>		<b>Long-Term Expected Portfolio Real Rate of Return</b>	
	<b>LASERS</b>	<b>MERS</b>	<b>LASERS</b>	<b>MERS</b>
	Cash	-	-	-0.59%
Domestic equity	23.0%	53.0%	4.79%	2.33%
International equity	32.0%	-	5.83%	-
Domestic fixed income	6.0%	38.0%	1.76%	1.67%
International fixed income	10.0%	-	3.98%	-
Alternative investments	22.0%	9.0%	6.69%	0.40%
Risk Parity	7.0%	-	4.20%	-
Total	100.0%	100.0%	5.81%	4.40%
International fixed income				2.60%
Expected Arithmetic Nominal Return				7.00%

***Discount Rate***

The discount rates used to measure the total pension liability for LASERS and MERS were 7.55% and 6.95%, respectively for the year ended June 30, 2020. 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.



**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

***Sensitivity of the City Court’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City Court’s proportionate share of the Net Pension Liability using the discount rate of each pension plan, as well as what the City Court’s proportionate share of the 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:

	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
<b>LASERS</b>			
Discount rate	6.55%	7.55%	8.55%
Share of NPL	\$ 209,569	\$ 170,541	\$ 137,422
<b>MERS</b>			
Discount rate	5.95%	6.95%	7.95%
Share of NPL	\$ 263,987	\$ 202,928	\$ 151,300

***Support of Non-employer Contributing Entities***

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City Court recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended August 31, 2020, the City Court recognized revenue as a result of support received from non-employer contributing entities of \$3,184 for its participation in MERS. LASERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LASERS for the year ended August 31, 2020.

***Pension Plans Fiduciary Net Position***

Detailed information about the pension plans’ fiduciary net position is available in the separately issued financial reports for LASERS and MERS and can be obtained on the pension plans’ respective websites or on the Louisiana Legislative Auditor’s website: [www.la.la.gov](http://www.la.la.gov).

**Note 14. Deficit in Net Position**

The Court has a deficit in net position of (\$145,963) caused by the net pension liability of \$373,469.

**Note 15. Litigation**

The City Court of Crowley has no threatened or pending litigation against it at August 31, 2020.

**CITY COURT OF CROWLEY, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 16. Evaluation of Subsequent Events**

In January of 2020, the World Health Organization (WHO) announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China, and the risk to the international community as the virus spread globally beyond its point of origination. In March of 2020, the WHO classified the COVID-19 outbreak a pandemic, based on the rapid increase in infection rates globally. As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration of the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time. Subsequent events have been evaluated through February 22, 2021. This date represents the date 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, 2020

	2020			Variance-- Positive (Negative)	2019
	Budget		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
City court costs	\$ 180,000	\$ 615,000	\$ 639,801	\$ 24,801	\$ 218,516
Appropriation from City of Crowley	40,000	10,000	10,000	-	40,000
Miscellaneous income	-	-	1,890	1,890	-
<b>Total Revenues</b>	<b>\$ 220,000</b>	<b>\$ 625,000</b>	<b>\$ 651,691</b>	<b>\$ 26,691</b>	<b>\$ 258,516</b>
<b>Expenditures:</b>					
Current -					
General government:					
Salaries, payroll taxes, and retirement	\$ 152,300	\$ 152,800	\$ 155,725	\$ (2,925)	\$ 144,134
Office Expenses	2,000	1,000	551	449	-
Fines and fees	106,400	524,300	541,033	(16,733)	161,475
Professional services	-	2,800	2,325	475	2,025
Miscellaneous	3,100	5,640	2,600	3,040	1,672
<b>Total</b>	<b>\$ 263,800</b>	<b>\$ 686,540</b>	<b>\$ 702,234</b>	<b>\$ (15,694)</b>	<b>\$ 309,306</b>
Capital Outlay	\$ -	\$ -	\$ -	-	\$ -
<b>Total expenditures</b>	<b>\$ 263,800</b>	<b>\$ 686,540</b>	<b>\$ 702,234</b>	<b>\$ (15,694)</b>	<b>\$ 309,306</b>
Excess (deficiency) of revenues over expenditures:	\$ (43,800)	\$ (61,540)	\$ (50,543)	\$ 10,997	\$ (50,790)
Other sources (uses):					
Transfers to Judicial Bldg. Fund	\$ -	\$ -	\$ -	\$ -	\$ -
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	30,000	20,000	20,000	-	40,000
Transfers from Judicial Fees	20,000	20,000	20,000	-	20,000
Transfers from Civil Fund	-	-	-	-	-
Transfers from Judicial Bldg. Fund	-	-	-	-	-
City of Crowley Insurance Claim	-	-	-	-	-
<b>Total Transfers (Uses)</b>	<b>\$ 50,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ 60,000</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 6,200	\$ (21,540)	\$ (10,543)	\$ 10,997	\$ 9,210
Fund balance, beginning of year	\$ 56,356	\$ 56,356	\$ 56,356	\$ -	\$ 47,146
<b>Fund balance, end of year</b>	<b>\$ 62,556</b>	<b>\$ 34,816</b>	<b>\$ 45,813</b>	<b>\$ 10,997</b>	<b>\$ 56,356</b>

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, 2020

	2020			Variance-- Positive (Negative)	2019
	Budget		Actual		Actual
	Original	Final			
<b>Revenues:</b>					
State court costs	\$ 85,000	\$ 75,000	\$ 73,843	\$ (1,157)	\$ 76,083
Appropriation from Police Jury	40,000	15,000	15,000	-	40,000
Miscellaneous income	-	-	2,781	2,781	-
<b>Total Revenues</b>	<b>\$ 125,000</b>	<b>\$ 90,000</b>	<b>\$ 91,624</b>	<b>\$ 1,624</b>	<b>\$ 116,083</b>
<b>Expenditures:</b>					
Current -					
General government:					
Office Expenses	\$ 13,500	\$ 13,500	\$ 8,018	\$ 5,482	\$ 9,516
Fines and fees	46,700	46,120	45,970	150	42,060
Professional services	13,000	9,500	9,500	-	11,300
District attorney fees	5,000	5,000	4,968	32	4,552
Miscellaneous	5,600	5,250	7,331	(2,081)	4,243
<b>Total general government</b>	<b>\$ 83,800</b>	<b>\$ 79,370</b>	<b>\$ 75,787</b>	<b>\$ 3,583</b>	<b>\$ 71,671</b>
Capital Outlay	\$ -	\$ -	\$ -	-	\$ 6,270
<b>Total expenditures</b>	<b>\$ 83,800</b>	<b>\$ 79,370</b>	<b>\$ 75,787</b>	<b>\$ 3,583</b>	<b>\$ 77,941</b>
Excess (deficiency) of revenues over expenditures:	\$ 41,200	\$ 10,630	\$ 15,837	\$ 5,207	\$ 38,142
Other sources (uses):					
Transfers to Juvenile Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Judicial Bldg. Fund	-	-	-	-	-
Transfers to City Fund	(30,000)	(20,000)	(20,000)	-	(40,000)
Transfers to TASC	-	-	-	-	-
Transfers to Civil Fund	-	-	-	-	-
Transfers to Cash Bond Fund	-	-	-	-	-
Transfers from TASC	-	-	-	-	-
Transfers from Cash Bond Fund	-	-	-	-	-
Transfers from City Fund	-	-	-	-	-
Transfers from Civil Fund	-	-	-	-	-
Transfers from Judicial Bldg. Fund	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>\$ (30,000)</b>	<b>\$ (20,000)</b>	<b>\$ (20,000)</b>	<b>\$ -</b>	<b>\$ (40,000)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 11,200	\$ (9,370)	\$ (4,163)	\$ 5,207	\$ (1,858)
Fund balance, beginning of year	\$ 90,426	\$ 90,426	\$ 90,426	\$ -	\$ 92,284
Fund balance, end of year	\$ 101,626	\$ 81,056	\$ 86,263	\$ 5,207	\$ 90,426

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, 2020**

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 the Employer's Proportionate Share of the Net Pension Liability  
For the year ended August 31, 2020

Fiscal Year ended June 30	Louisiana State Employees' Retirement System (LASERS)				
	Agency's Proportion of the Net Pension Liability (Asset)	Agency's Proportionate Share of the Net Pension Liability (Asset)	Agency's Covered Payroll	Agency's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.002062%	\$ 170,541	\$ 40,800	418.0%	58.0%
2019	0.002137%	\$ 154,824	\$ 40,800	379.5%	62.9%
2018	0.002231%	\$ 152,153	\$ 40,800	372.9%	64.3%
2017	0.002315%	\$ 162,949	\$ 40,800	399.4%	62.5%
2016	0.002303%	\$ 180,844	\$ 40,800	443.2%	57.7%
2015	0.002200%	\$ 149,769	\$ 41,800	358.3%	62.7%
2014	0.002600%	\$ 162,700	\$ 46,800	347.6%	65.0%
Louisiana Municipal Employees' Retirement System (MERS)					
2020	0.046937%	\$ 202,928	\$ 96,392	210.5%	64.5%
2019	0.045438%	\$ 189,870	\$ 90,865	209.0%	64.70%
2018	0.042393%	\$ 175,536	\$ 77,399	226.8%	63.9%
2017	0.044468%	\$ 186,028	\$ 80,756	230.0%	62.5%
2016	0.05381%	\$ 220,535	\$ 96,116	229.0%	62.1%
2015	0.05844%	\$ 208,753	\$ 99,743	209.0%	66.20%

\* Amounts presented were determined as of the measurement date (fiscal year ended June 30).

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

**See Notes to Required Supplementary Information on page 39.**

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, 2019

Louisiana State Employees' Retirement System (LASERS)  
Contributions in

Fiscal Year ended August 31,	Statutorily Required Contribution	Statutorily Required Contribution	Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Agency's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 17,306	\$ 17,306		\$ -	\$ 40,800	42.4%
2019	\$ 16,516	\$ 16,516		\$ -	\$ 40,800	40.5%
2018	\$ 15,545	\$ 15,545		\$ -	\$ 40,800	38.1%
2017	\$ 15,647	\$ 15,647		\$ -	\$ 40,800	38.4%
2016	\$ 15,538	\$ 15,538		\$ -	\$ 40,800	38.1%
2015	\$ 16,701	\$ 16,701		\$ -	\$ 40,800	40.9%
2014	\$ 17,389	\$ 17,389		\$ -	\$ 46,800	37.2%

Louisiana Municipal Employees' Retirement System (MERS)

2020	\$ 25,029	\$ 25,029		\$ -	\$ 94,110	26.6%
2019	\$ 23,037	\$ 23,037		\$ -	\$ 92,187	25.0%
2018	\$ 20,251	\$ 20,251		\$ -	\$ 81,038	25.0%
2017	\$ 17,889	\$ 17,889		\$ -	\$ 77,587	23.1%
2016	\$ 19,187	\$ 19,187		\$ -	\$ 97,379	19.7%
2015	\$ 19,136	\$ 19,136		\$ -	\$ 96,892	19.7%

\* Amounts presented were determined as of the measurement date (fiscal year ended August 31).

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

**See Notes to Required Supplementary Information on page 39.**

The accompanying notes are an integral part of this statement.



## CITY COURT OF CROWLEY, LOUISIANA

### Notes to the Schedule of the Employer's Proportionate Share of the Net Pension Liability and the Schedule of Employer Contributions For the Year Ended August 31, 2020

#### **Changes of Benefit Terms**

For LASERS, a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

For MERS, there were no changes of benefit terms for the seven valuation years ended June 30, 2020.

#### **Changes of Assumptions**

For LASERS, the investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30%, and the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3% - 14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.65% to 7.60%, the inflation rate was decreased from 2.75% to 2.50%, the average remaining services lives decreased from 3 years to 2 years, and the mortality table for non-disabled members changed to the RP-2014 Healthy Mortality Table for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

For MERS, the investment rate of return was decreased from 7% to 6.95% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.275% to 7%, the inflation rate was decreased from 2.6% to 2.5%, and the mortality tables changed to the PubG-2010(B) Tables for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.4% to 7.275% and the inflation rate was decreased from 2.775% to 2.6% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.5% to 7.4% and the inflation rate was decreased from 2.875% to 2.775% for the valuation dated June 30, 2017.

The investment rate of return was decreased from 7.75% to 7.5%, the rate for projected salary increases was decreased from 5.75% to 5.0%, and the rate of inflation was decreased from 3.0% to 2.875% for the valuation dated June 30, 2015.

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, 2020

With Comparative Amounts for Year Ended August 31, 2019

	<u>2020</u>	<u>(Memo Only)</u> <u>2019</u>
Expenditures:		
General Government--Judicial		
Office supplies	\$ 551	\$ -
Crime lab	75,100	26,954
Salaries	110,446	101,319
Indigent defender	109,445	35,847
Crime victim reparation	18,185	5,983
LA state retirement	17,306	17,881
Payroll taxes	2,944	2,517
Convention	880	230
Law enforcement commission	4,854	1,598
Dues & subscriptions	150	300
Trial court mgmt info systems	7,265	2,383
Audit & accounting	2,325	2,025
Traumatic head & spinal cord injury	10,580	1,825
Insurance	100	100
Fines	233,239	63,848
Off duty officer fees	24,250	7,990
Restitution	-	-
Consulting	-	-
Refunds	742	1,081
Acadia crime stoppers	4,850	1,601
Marshal services	51,326	11,991
Travel Expense	611	952
Employer retirement contribution	25,029	22,417
Miscellaneous expense	2,056	464
Total General Government	<u>\$ 702,234</u>	<u>\$ 309,306</u>
Capital Outlay	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u><u>\$ 702,234</u></u>	<u><u>\$ 309,306</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, 2020

With Comparative Amounts for Year Ended August 31, 2019

	<u>2020</u>	<u>(Memo Only)</u> <u>2019</u>
Expenditures:		
General Government--Judicial		
Office supplies	\$ 8,018	\$ 9,516
Crime lab	8,300	7,020
Indigent defender	8,692	8,000
Crime victim reparation	1,338	1,305
Audit & accounting	9,500	11,300
Convention	-	-
Miscellaneous	7,313	3,096
Trial court mgmt info system	529	510
Traumatic head & spinal cord injury	120	165
Drug abuse education & treatment fund	650	527
Seminars & training	-	-
District attorney fees	4,968	4,553
Crime stoppers	346	346
Repairs & maintenance	-	-
Marshal's Fund	3,211	2,620
Reimbursements	-	-
Fines	16,821	16,684
DWI Testing	150	140
Restitution	2,635	3,483
Intox	75	50
Refunds	15	1,173
Law Enforcement Training	356	342
Off duty officers fees	2,750	841
Total General Government	<u>\$ 75,787</u>	<u>\$ 71,671</u>
Capital Outlay	<u>\$ -</u>	<u>\$ 6,270</u>
Total Expenditures	<u>\$ 75,787</u>	<u>\$ 77,941</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, 2020**

Agency Head Name: The Honorable Judge Marie B. Trahan

<b>Purpose</b>	<b>Amount</b>
Salary*	\$ 95,425
Benefits-insurance	-
Benefits-retirement*	20,860
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	2,487
Travel	360
Dues	1,720
Registration fees	800
Conference travel	669
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	<u>\$ 122,321</u>

\* 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

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P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

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

The Honorable 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, 2020, 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 22, 2021.

### **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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan at 2020-1 that we consider to be a significant deficiency.

## **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*.

## **City Court of Crowley, Louisiana's Response to Findings**

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

## **Purpose of this Report**

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*  
**Thibodeaux Accounting Company**  
A Limited Liability Company

Rayne, Louisiana  
February 22, 2021



**CITY COURT OF CROWLEY, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS**

Year Ended August 31, 2020

2019-1 The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Recommendation: We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

Status: Unresolved

# CITY COURT OF CROWLEY, LOUISIANA

Schedule of Findings  
Year Ended August 31, 2020

## 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, 2020.

#### Internal Control - Financial Reporting

There was one significant deficiency in internal control over financial reporting that was disclosed by the audit of the financial statements for the period ended August 31, 2020.

#### 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*

### 2020-1 Finding: Financial Statements Not in Accordance with GAAP

The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

#### Criteria:

The reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

#### Cause of Condition:

The City Court does not have the funds to hire someone or to outsource this function.

#### Effect of Condition:

The financial statements may not be prepared in accordance with GAAP.

#### Recommendation:

We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

**CITY COURT OF CROWLEY, LOUISIANA**

Corrective Action Plan  
Year Ended August 31, 2020

Response to Findings:

2020-1 City Court has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Judge Marie B. Trahan is the responsible party. There is no estimated date of completion.