

CITY OF CROWLEY, LOUISIANA

Financial Report

For the Year Ended August 31, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Tim Monceaux, Mayor
and Members of the City Council
City of Crowley, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crowley, Louisiana, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Crowley, Louisiana'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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crowley, Louisiana, as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in total OPEB liability and related ratios, the schedules of employer's share of net pension liabilities, and the schedules of employer contributions 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 requires to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021 on our consideration of the City of Crowley, Louisiana’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Crowley, Louisiana’s 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 the City of Crowley, Louisiana’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
February 18, 2021

BASIC FINANCIAL STATEMENTS

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

CITY OF CROWLEY, LOUISIANA

Statement of Net Position

August 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 7,677,803	\$ 494,221	\$ 8,172,024
Investments	5,723,747	-	5,723,747
Receivables, net	1,337,036	257,220	1,594,256
Due from other governmental units	10,060	-	10,060
Internal balances	719,046	(719,046)	-
Restricted assets:			
Interest-bearing deposits	6,278	971,101	977,379
Capital assets			
Non-depreciable	1,491,072	161,482	1,652,554
Depreciable, net	<u>15,973,006</u>	<u>11,284,483</u>	<u>27,257,489</u>
 Total assets	 <u>32,938,048</u>	 <u>12,449,461</u>	 <u>45,387,509</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	2,203,830	77,954	2,281,784
Deferred outflows of resources - OPEB	<u>222,720</u>	<u>12,949</u>	<u>235,669</u>
Total deferred outflows of resources	<u>2,426,550</u>	<u>90,903</u>	<u>2,517,453</u>

(continued)

CITY OF CROWLEY, LOUISIANA

Statement of Net Position (Continued)

August 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts, salaries and other payables	\$ 609,630	\$ 105,223	\$ 714,853
Contracts payable	492,650	-	492,650
Retainage payable	43,305	-	43,305
Claims payable	237,302	-	237,302
Due to others	34,662	-	34,662
Accrued interest payable	46,802	24,888	71,690
Long-term liabilities			
Other post employment benefits payable	1,304,862	75,864	1,380,726
Net pension liability	11,281,632	566,151	11,847,783
Due within one year	514,754	508,000	1,022,754
Due in more than one year	<u>3,246,586</u>	<u>2,484,389</u>	<u>5,730,975</u>
Total liabilities	<u>17,812,185</u>	<u>3,764,515</u>	<u>21,576,700</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	1,748,329	57,160	1,805,489
Deferred inflows of resources - OPEB	<u>113,817</u>	<u>6,617</u>	<u>120,434</u>
Total deferred inflows of resources	<u>1,862,146</u>	<u>63,777</u>	<u>1,925,923</u>
NET POSITION			
Net investment in capital assets	13,702,738	8,453,576	22,156,314
Restricted for:			
Debt service	300,176	946,213	1,246,389
Sales tax dedications	10,681,258	-	10,681,258
Unrestricted	<u>(8,993,905)</u>	<u>(687,717)</u>	<u>(9,681,622)</u>
Total net position	<u>\$ 15,690,267</u>	<u>\$ 8,712,072</u>	<u>\$ 24,402,339</u>

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

CITY OF CROWLEY, LOUISIANA

Statement of Activities
For the Year Ended August 31, 2020

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,061,066	\$ 745,306	\$ -	\$ -	\$ (1,315,760)	\$ -	\$ (1,315,760)
Public safety	7,347,111	260,299	415,292	-	(6,671,520)	-	(6,671,520)
Public works	2,229,139	-	-	47,879	(2,181,260)	-	(2,181,260)
Economic development	41,818	-	-	-	(41,818)	-	(41,818)
Culture and recreation	940,315	88,026	-	-	(852,289)	-	(852,289)
Cemetery	76,052	5,200	-	-	(70,852)	-	(70,852)
Interest on long-term debt	171,744	-	-	-	(171,744)	-	(171,744)
Total governmental activities	12,867,245	1,098,831	415,292	47,879	(11,305,243)	-	(11,305,243)
Business-type activities:							
Sewer	2,186,492	1,697,730	-	-	-	(488,762)	(488,762)
Total	15,053,737	2,796,561	415,292	47,879	(11,305,243)	(488,762)	(11,794,005)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					2,067,775	269,158	2,336,933
Sales and use taxes, levied for general purposes					7,601,914	-	7,601,914
Payment in lieu of taxes					10,000	-	10,000
Franchise taxes					902,715	-	902,715
2% Fire insurance proceeds					52,247	-	52,247
Grants and contributions not restricted to specific programs -							
State sources					386,406	-	386,406
Interest and investment earnings					253,439	3,892	257,331
Miscellaneous					177,141	30	177,171
Nonemployer pension contribution					311,190	8,884	320,074
Loss on disposal of capital assets					71,963	-	71,963
Transfers					144,954	(144,954)	-
Total general revenues and transfers					11,979,744	137,010	12,116,754
Change in net position					674,501	(351,752)	322,749
Net position - beginning					15,015,766	9,063,824	24,079,590
Net position - ending					\$ 15,690,267	\$ 8,712,072	\$ 24,402,339

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

FUND FINANCIAL STATEMENTS (FFS)

CITY OF CROWLEY, LOUISIANA

Balance Sheet
Governmental Funds
August 31, 2020

	General Fund	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund
ASSETS			
Cash and interest-bearing deposits	\$ 1,205,909	\$ 845,779	\$ 622,157
Investments	611,834	-	-
Receivables:			
Taxes receivable	101,742	748,019	243,149
Accrued interest receivable	414	305	-
Due from other funds	767,129	272,960	599,113
Due from other governmental units	<u>10,060</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,697,088</u>	<u>\$ 1,867,063</u>	<u>\$ 1,464,419</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 191,453	\$ -	\$ -
Accrued liabilities	383,177	-	-
Contract payable	-	-	-
Retainage payable	3,987	-	-
Due to other funds	315,085	700,705	-
Due to others	<u>34,662</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>928,364</u>	<u>700,705</u>	<u>-</u>
Fund balances:			
Restricted	-	1,166,358	1,464,419
Assigned	132,084	-	-
Unassigned	<u>1,636,640</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,768,724</u>	<u>1,166,358</u>	<u>1,464,419</u>
Total liabilities and fund balances	<u>\$ 2,697,088</u>	<u>\$ 1,867,063</u>	<u>\$ 1,464,419</u>

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

2012		
Sales Tax - Infrastructure Improvement Fund	Other Governmental Funds	Totals
\$ 3,138,914	\$ 1,536,896	\$ 7,349,655
5,111,913	-	5,723,747
243,149	-	1,336,059
-	128	847
101,589	43,059	1,783,850
-	-	10,060
<u>\$ 8,595,565</u>	<u>\$ 1,580,083</u>	<u>\$16,204,218</u>
\$ 13,117	\$ 7,691	\$ 212,261
-	14,192	397,369
492,650	-	492,650
39,318	-	43,305
-	1,087	1,016,877
-	-	34,662
<u>545,085</u>	<u>22,970</u>	<u>2,197,124</u>
8,050,480	1,341,831	12,023,088
-	215,282	347,366
-	-	1,636,640
<u>8,050,480</u>	<u>1,557,113</u>	<u>14,007,094</u>
<u>\$ 8,595,565</u>	<u>\$ 1,580,083</u>	<u>\$16,204,218</u>

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CITY OF CROWLEY, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended August 31, 2020

Total fund balances for governmental funds		\$ 14,007,094
Capital assets, net		17,464,078
Long-term liabilities:		
Bonds and capital lease payable	\$ (3,761,340)	
OPEB obligation payable	(1,304,862)	
Net pension liability	(11,281,632)	
Accrued interest payable	<u>(46,802)</u>	(16,394,636)
Deferred outflows of resources related to net pension liability		2,203,830
Deferred inflows of resources related to net pension liability		(1,748,329)
Deferred outflows of resources related to total OPEB liability		222,720
Deferred inflows of resources related to total OPEB liability		(113,817)
Net position of the Internal Service Funds		<u>49,327</u>
Total net position of governmental activities		<u>\$ 15,690,267</u>

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

CITY OF CROWLEY, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds

For the Year Ended August 31, 2020

	General Fund	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund
Revenues:			
Taxes	\$ 2,615,220	\$ 4,569,261	\$ 1,516,327
Licenses and permits	665,467	-	-
Intergovernmental	887,825	-	-
Charges for services	33,025	-	-
Fines and fees	260,299	-	-
Investment income	27,711	1,582	2,622
Net increase (decrease) in fair value of investments	(12,499)	-	-
Miscellaneous	184,411	-	-
Total revenues	<u>4,661,459</u>	<u>4,570,843</u>	<u>1,518,949</u>
Expenditures:			
Current -			
General government	1,580,444	76,457	28,338
Public safety	6,362,340	-	-
Public works	1,598,385	-	-
Economic development	31,637	-	-
Culture and recreation	-	-	-
Cemetery	-	-	-
Capital outlay	188,783	-	-
Debt service -			
Principal retirement	192,750	-	-
Interest and fiscal charges	24,746	-	-
Total expenditures	<u>9,979,085</u>	<u>76,457</u>	<u>28,338</u>
Excess (deficiency) of revenues over expenditures	<u>(5,317,626)</u>	<u>4,494,386</u>	<u>1,490,611</u>
Other financing sources (uses):			
Proceeds from capital lease	161,328	-	-
Proceeds from the sale of fixed assets	66,518	-	-
Transfers in	5,819,159	-	-
Transfers out	<u>(720,322)</u>	<u>(4,257,636)</u>	<u>(1,415,978)</u>
Total other financing sources (uses)	<u>5,326,683</u>	<u>(4,257,636)</u>	<u>(1,415,978)</u>
Net changes in fund balances	9,057	236,750	74,633
Fund balances, beginning, as restated	<u>1,759,667</u>	<u>929,608</u>	<u>1,389,786</u>
Fund balances, ending	<u>\$ 1,768,724</u>	<u>\$ 1,166,358</u>	<u>\$ 1,464,419</u>

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

2012 Sales Tax Infrastructure Improvement Fund	Other Governmental Funds	Totals
\$ 1,516,327	\$ 365,270	\$ 10,582,405
-	-	665,467
-	13,999	901,824
-	140,040	173,065
-	-	260,299
-	3,976	35,891
228,849	-	216,350
-	10,195	194,606
<u>1,745,176</u>	<u>533,480</u>	<u>13,029,907</u>
26,851	16,419	1,728,509
13,116	-	6,375,456
-	-	1,598,385
-	2,108	33,745
-	748,508	748,508
-	70,067	70,067
835,583	39,300	1,063,666
-	305,000	497,750
-	151,042	175,788
<u>875,550</u>	<u>1,332,444</u>	<u>12,291,874</u>
<u>869,626</u>	<u>(798,964)</u>	<u>738,033</u>
-	-	161,328
-	-	66,518
-	1,034,762	6,853,921
<u>(645,421)</u>	<u>(98,018)</u>	<u>(7,137,375)</u>
<u>(645,421)</u>	<u>936,744</u>	<u>(55,608)</u>
224,205	137,780	682,425
<u>7,826,275</u>	<u>1,419,333</u>	<u>13,324,669</u>
<u>\$ 8,050,480</u>	<u>\$ 1,557,113</u>	<u>\$ 14,007,094</u>

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CITY OF CROWLEY, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended August 31, 2020

Change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 682,425
Capital assets:		
Capital outlay	\$ 1,063,666	
Depreciation expense	<u>(1,311,987)</u>	(248,321)
Transactions involving capital assets:		
Proceeds on disposal of assets	(83,983)	
Gain on disposal	<u>71,963</u>	(12,020)
Long-term debt:		
Principal payments	497,750	
Capital lease proceeds	<u>(161,328)</u>	336,422
Net revenue (expense) of the Internal Service Fund		(242,351)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		4,044
Effect of the change in net pension liability, total OPEB liability, and related deferred outflows/inflows of resources:		
Increase in pension expense	(126,879)	
Nonemployer pension contribution revenue recognized	311,190	
Net effect of OPEB adjustments	<u>(30,009)</u>	<u>154,302</u>
Change in net position per Statement of Activities		<u>\$ 674,501</u>

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

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
Statement of Net Position
August 31, 2020

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 494,221	\$ 334,426
Receivables:		
Accounts	257,220	-
Interest	-	130
Due from other funds	-	2,073
Total current assets	<u>751,441</u>	<u>336,629</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	971,101	-
Capital assets, net of accumulated depreciation	<u>11,445,965</u>	<u>-</u>
Total noncurrent assets	<u>12,417,066</u>	<u>-</u>
Total assets	<u>13,168,507</u>	<u>336,629</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pensions	77,954	-
Deferred outflows of resources - OPEB	<u>12,949</u>	<u>-</u>
Total deferred outflows of resources	<u>90,903</u>	<u>-</u>

(continued)

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
Statement of Net Position (Continued)
August 31, 2020

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 81,146	\$ -
Due to other funds	719,046	50,000
Claims payable	-	237,302
Accrued liabilities	24,077	-
Payable from restricted assets -		
Bonds payable	508,000	-
Accrued interest	24,888	-
Total current liabilities	<u>1,357,157</u>	<u>287,302</u>
Noncurrent liabilities:		
Bonds payable	2,484,389	-
OPEB obligation payable	75,864	-
Net pension liability	566,151	-
Total noncurrent liabilities	<u>3,126,404</u>	<u>-</u>
Total liabilities	<u>4,483,561</u>	<u>287,302</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pensions	57,160	-
Deferred inflows of resources - OPEB	6,617	-
Total deferred inflows of resources	<u>63,777</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	8,453,576	-
Restricted for debt service	946,213	-
Unrestricted	(687,717)	49,327
Total net position	<u>\$ 8,712,072</u>	<u>\$ 49,327</u>

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

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended August 31, 2020

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 1,697,730	\$ 1,535,949
Other	31	974,253
Total operating revenues	<u>1,697,761</u>	<u>2,510,202</u>
Operating expenses:		
Salaries and wages	286,364	-
Payroll taxes	6,573	-
Retirement	47,836	-
Group insurance	86,638	-
Other post employment benefits	1,518	-
General insurance	42,678	405,266
Claims	-	2,581,548
Telephone and utilities	126,833	-
Professional services	98,901	50,063
Collection fees	43,731	-
Bad debts	14,389	-
Depreciation	1,057,448	-
Gas and oil	14,239	-
Repairs and supplies	251,852	-
Pretreatment and inspections	28,543	-
Miscellaneous	19,480	145,348
Total operating expenses	<u>2,127,023</u>	<u>3,182,225</u>
Operating loss	<u>(429,262)</u>	<u>(672,023)</u>
Nonoperating revenues (expenses):		
Tax revenue	269,158	-
Interest income	3,892	1,264
Interest expense and other fiscal charges	(59,470)	-
Nonemployer pension contribution	8,884	-
Total nonoperating revenues (expenses)	<u>222,464</u>	<u>1,264</u>
Loss before transfers	<u>(206,798)</u>	<u>(670,759)</u>
Transfers in	-	428,408
Transfers out	(144,954)	-
Change in net position	<u>(351,752)</u>	<u>(242,351)</u>
Net position, beginning	<u>9,063,824</u>	<u>291,678</u>
Net position, ending	<u>\$ 8,712,072</u>	<u>\$ 49,327</u>

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

CITY OF CROWLEY, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended August 31, 2020

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	\$ 1,556,375	\$ -
Receipts from insured	-	291,371
Receipts from interfund services provided	-	1,244,578
Payments to suppliers	(602,573)	(600,677)
Payments for claims and loss time	-	(2,540,325)
Payments to employees	(441,530)	-
Other receipts	31	974,262
Net cash provided (used) by operating activities	<u>512,303</u>	<u>(630,791)</u>
Cash flows from noncapital financing activities:		
Proceeds from taxes levied	269,158	-
Cash received from other funds	2,659	50,302
Cash paid to other funds	-	(1,771)
Transfers from other funds	-	428,408
Transfers to other funds	(144,954)	-
Net cash provided by noncapital financing activities	<u>126,863</u>	<u>476,939</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds payable	(68,000)	-
Interest and fiscal charges paid on revenue bonds payable	(34,582)	-
Acquisition of property, plant and equipment	(110,303)	-
Net cash used by capital and related financing activities	<u>(212,885)</u>	<u>-</u>
Cash flows from investing activities:		
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	-	(233,926)
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	-	232,360
Interest on deposits	3,892	1,264
Net cash provided (used) by investing activities	<u>3,892</u>	<u>(302)</u>
Net increase (decrease) in cash and cash equivalents	430,173	(154,154)
Cash and cash equivalents, beginning of year	<u>1,035,149</u>	<u>254,965</u>
Cash and cash equivalents, end of year	<u>\$ 1,465,322</u>	<u>\$ 100,811</u>

(continued)

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

CITY OF CROWLEY, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Year Ended August 31, 2020

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	Utility Fund	Internal Service Fund
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (429,262)	\$(672,023)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,057,448	-
Provision for net pension liability, net	(20,726)	-
Provision for OPEB liability	1,518	-
(Increase) decrease current assets:		
Accounts receivable	(141,355)	-
Increase (decrease) current liabilities:		
Accounts payable	38,073	-
Accrued liabilities	6,607	-
Claims payable	<u>-</u>	<u>41,232</u>
Net cash provided (used) by operating activities	<u>\$ 512,303</u>	<u>\$(630,791)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 399,334	\$ 487,325
Cash and interest-bearing deposits - restricted	635,815	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>-</u>	<u>(232,360)</u>
Total cash and cash equivalents	<u>1,035,149</u>	<u>254,965</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	494,221	334,426
Cash and interest-bearing deposits - restricted	971,101	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>-</u>	<u>(233,615)</u>
Total cash and cash equivalents	<u>1,465,322</u>	<u>100,811</u>
Net increase (decrease)	<u>\$ 430,173</u>	<u>\$(154,154)</u>

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Crowley (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Crowley was incorporated in 1886, under the provisions of the Lawrason Act. The City operates under a Mayor-City Council form of government. The City Council is comprised of nine members (one member is elected at-large and two members are elected from each of the four wards of the City for terms of four years). The City provides the following services to the residents of the City as authorized by its charter: police and fire protection, street and drainage systems, sewer services, parks and recreation, planning and zoning, and economic development programs.

A financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no such component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the City of Crowley, as a whole. They include all funds of the reporting entity, except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's internal service funds are a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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

Fund Financial Statements

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

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

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

The major funds of the City are described below:

Governmental Funds –

General Fund

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

Sales Tax Fund

The Sales Tax fund accounts for the proceeds of a one percent parish-wide sales and use tax levied in 1963 and the one-half percent sales and use tax levied in 1978. These taxes are dedicated for the specific purposes described in Note 3.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

One-Half Cent Sales Tax – Salary Fund

The One-Half Cent Sales Tax – Salary Fund accounts for the proceeds of a one-half cent sales tax levied in 1982, which is dedicated as described in Note 3.

2012 Sales Tax – Infrastructure Improvement Fund

2012 Sales Tax – Infrastructure Improvement Fund accounts for the receipt and use of proceeds of the City's one-half percent sales and use tax levied in 2012, which is dedicated as described in Note 3.

Enterprise Fund –

Utility Fund

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

In addition, the City reports the following:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's internal service funds are the Workmen's Compensation Fund and the Employee Benefit Plan Fund. The City's internal service funds are presented in the proprietary funds' financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity. These proprietary funds are reported with the governmental activities in the government-wide statements.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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

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

Basis of Accounting

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

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

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

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City’s general revenues.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Allocation of indirect expenses

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

Cash, interest-bearing deposits, and investments

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

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

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

Investments

Under state law, the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts using the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable. At August 31, 2020, an allowance for ad valorem taxes was considered unnecessary due to immateriality.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to September 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

Buildings and improvements	5-40 years
Machinery and equipment	5-15 years
Sewer plant	20-40 years
Autos and trucks	5 years

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

Restricted Assets

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

After one year of employment with the City, each full-time employee is entitled to one week paid vacation, which is to be taken within the next year of employment. After two consecutive years of employment with the City, each full-time employee is entitled to two weeks paid vacation and for each year of employment thereafter. Annual vacation is not accumulated and compensation in lieu of vacation is not paid. Upon termination, any accumulated vacation time is paid together with any wages due as of the effective date of the employee's termination. No accrual is recorded for this as the amount at August 31, 2020 is determined immaterial.

All persons employed full-time by the City shall be entitled to a 10 day sick leave during each calendar year, which leave may be accumulated for a three-year period for a term of 30 full days if not used during the year which same accrues. Sick leave may not accumulate for more than three calendar years, and if not used during the year, in which same accrues, may be used in subsequent years. Sick leave is not paid at termination.

Compensatory leave shall be earned at time and one-half rate for overtime work and work required on an observed holiday. However, any employee who accrues 240 hours of compensatory leave shall, for any additional overtime hours or work, be paid overtime compensation at time and one-half rate. Upon separation, each employee shall be paid the value of his/her accrued compensatory leave in a lump sum at a rate not less than the average regular rate received during the last three years of employment or the final rate received, whichever is higher. At August 31, 2020, the City has no material accumulated leave benefits required to be reported.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City reported \$10,681,258 of restricted net position, which is restricted by enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

In the fund statements, governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

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

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the council members. The Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by council members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only council members or the City’s finance committee may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of August 31, 2020, fund balances are composed of the following:

	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
Major Funds				
General -				
Collision losses	\$ -	\$ 132,084	\$ -	\$ 132,084
Other	-	-	1,636,640	1,636,640
Sales Tax Fund	1,166,358	-	-	1,166,358
One-Half Cent Sales Tax -				
Salary Fund	1,464,419	-	-	1,464,419
2012 Sales Tax - Infrastructure				
Improvement Fund	8,050,480	-	-	8,050,480
Nonmajor funds	<u>1,341,831</u>	<u>215,282</u>	<u>-</u>	<u>1,557,113</u>
Totals	<u>\$ 12,023,088</u>	<u>\$ 347,366</u>	<u>\$ 1,636,640</u>	<u>\$ 14,007,094</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Ad valorem tax (30.25 mills)	See Note 2
Sales tax	See Note 3
Sewer revenues	See Note 12

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

G. Capitalization of Interest Expenses

It is the policy of the City of Crowley to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At August 31, 2020, there was no capitalized interest expense. Interest expensed at August 31, 2020 was \$235,258.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Pensions

The net pension liability, net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide and propriety fund financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

J. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Acadia Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

For the year ended August 31, 2020, taxes of 30.25 mills were levied on property with assessed valuations and were dedicated as follows:

General corporate purposes	7.00	mills
Street maintenance	5.00	mills
Public buildings and drainage	5.00	mills
Public recreation and parks	3.00	mills
Disposal plant maintenance	3.50	mills
Cemetery tax	0.75	mills
Youth recreation tax	1.00	mills
Fire and police	<u>5.00</u>	mills
Total	<u>30.25</u>	mills

(3) Dedication of Proceeds and Flow of Funds - Sales and Use Tax

The proceeds of the 1% sales and use tax and the .5% sales and use tax levied by the City of Crowley that became effective on May 1, 1963 and February 1, 1978, respectively, are accounted for in the Sales Tax Fund and are dedicated for the following purposes:

1% Sales and Use Tax -

1. Public safety, public health, public works, sanitation, general government,
2. Maintaining and repairing streets, roads, highways, avenues, drainage ditches and canals, and
3. Providing for operating expenses of said departments including salaries of personnel and capital outlay.

.5% Sales and Use Tax -

1. Increasing the compensation of all employees of the city, and
2. For any other lawful corporate or public purpose.

The proceeds of a .5% sales and use tax levied by the City that became effective on April 1, 1982 are accounted for in the One-Half Cent Sales Tax – Salary Fund and are dedicated for the following purpose:

To be used for the purpose of City employee salary increases to be equally divided:

1. 33-1/3% to all employees not otherwise covered herein,
2. 33-1/3% to all fire personnel, and
3. 33-1/3% to all police personnel (increase to be paid across the board equally).

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

The proceeds of a .5% sales and use tax levied by the City that became effective on July 1, 2012 are accounted for in the 2012 Sales Tax – Infrastructure Improvement Fund and are dedicated for the following purposes:

1. Acquiring, constructing, maintaining and improving infrastructure and capital improvements within the City, and
2. To fund the proceeds of the tax into bonds to be issued in series from time to time for such purposes.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The City does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at August 31, 2020, are secured as follows:

Bank balances	<u>\$ 8,983,496</u>
Insured deposits	1,769,451
Uninsured and collateral held by the pledging bank, not in the City's name	<u>7,214,045</u>
Total	<u>\$ 8,983,496</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

B. Investments

At August 31, 2020, the City's carrying amounts and approximate market values of investments are summarized as follows:

Description	Interest Rate	Cost	Unrealized Gain/(Loss)	Reported Amount/ Fair Value
Government and Agency Securities:				
Federal National Mortgage Association (FNMA)	1.75% - 2.50%	\$ 484,670	\$ 70,096	\$ 554,766
Federal Home Loan Bank (FHLB)	3.04%	20,007	8	20,015
Federal Farm Credit Banks (FFCB)	3.33%	23,984	4,084	28,068
Tennessee Valley Authority (TVA)	3.55%	967,594	32,713	1,000,307
Mortgage Backed Securities:				
Government National Mortgage Corporation (GNMA)	5.0% - 6.50%	1,852,324	(26,792)	1,825,532
Federal Home Loan Mortgage Corporation (FHLMC)	5.0% - 6.50%	1,183,873	4,645	1,188,518
Federal National Mortgage Association (FNMA)	3.0% - 7.50%	<u>1,096,539</u>	<u>10,002</u>	<u>1,106,541</u>
		<u>\$ 5,628,991</u>	<u>\$ 94,756</u>	<u>\$ 5,723,747</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the City's debt type investments to this risk, using the segmented time distribution model is as follows:

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Description	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Over 10
Government and Agency Securities:					
FNMA	\$ 554,766	\$ -	\$ -	\$ 519,982	\$ 34,784
FHLB	20,015	20,015	-	-	-
FFCB	28,068	-	-	-	28,068
TVA	1,000,307	-	-	711,267	289,040
Mortgage Backed Securities:					
GNMA	1,825,532	-	333	1,694	1,823,505
FHLMC	1,188,518	-	3,629	828	1,184,061
FNMA	1,106,541	-	34,284	2,019	1,070,238
	<u>\$5,723,747</u>	<u>\$20,015</u>	<u>\$38,246</u>	<u>\$1,235,790</u>	<u>\$4,429,696</u>

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. At August 31, 2020, the City held investments of \$5,723,747 of which the underlying securities are held by the counterparty's trust department, not in the City's name.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has recurring fair value measurements of \$5,723,747 as of August 31, 2020, which are categorized as level 1 inputs.

Credit risk is managed by restricting investments to those authorized by R.S. 33:2955. Credit risk ratings for the City's investments from issuers totaling five percent or more of a portfolio are as follows:

	Rating	Amount
Federal National Mortgage Association	AA	\$1,106,541
Federal Home Loan Mortgage Corporation	AA	\$1,188,518

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(5) Receivables

Receivables at August 31, 2020 consist of the following:

	<u>Accounts</u>	<u>Taxes</u>	<u>Franchise Fees</u>	<u>Interest</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ -	\$ -	\$101,742	\$ 414	\$ 102,156
Sales Tax Fund	-	748,019	-	305	748,324
1/2 Cent Sales Tax - Salary Fund	-	243,149	-	-	243,149
2012 Sales Tax - Infrastructure Improvement	-	243,149	-	-	243,149
Internal Service Fund	-	-	-	130	130
Other governmental funds	-	-	-	128	128
Business-type activities:					
Utility Fund	<u>257,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,220</u>
Totals	<u>\$ 257,220</u>	<u>\$ 1,234,317</u>	<u>\$ 101,742</u>	<u>\$ 977</u>	<u>\$ 1,594,256</u>

(6) Restricted Assets

Restricted assets consisted of the following at August 31, 2020:

Governmental activities:	
LCDA bond refunding sinking fund	\$ 3,942
Donations for Gladys Trahan Tennis Court	<u>2,336</u>
Total governmental activities	6,278
Business-type activities:	
Sewer Revenue Bond and Interest Sinking Fund	<u>971,101</u>
Total restricted assets	<u>\$ 977,379</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(7) Capital Assets

Capital asset activity for the year ended August 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 662,989	\$ -	\$ 7,500	\$ 655,489
Construction in progress	-	835,583	-	835,583
Total capital assets not being depreciated	<u>662,989</u>	<u>835,583</u>	<u>7,500</u>	<u>1,491,072</u>
Capital assets being depreciated:				
Land improvements	107,576	-	-	107,576
Buildings and improvements	8,378,029	-	-	8,378,029
Infrastructure	16,609,732	-	-	16,609,732
Machinery and equipment	3,457,878	228,083	34,659	3,651,302
Autos and trucks	3,534,413	-	206,892	3,327,521
Total capital assets being depreciated	<u>32,087,628</u>	<u>228,083</u>	<u>241,551</u>	<u>32,074,160</u>
Less accumulated depreciation				
Land improvements	66,694	5,379	-	72,073
Buildings and improvements	4,652,368	280,891	-	4,933,259
Infrastructure	4,695,030	571,216	-	5,266,246
Machinery and equipment	2,807,152	205,328	34,659	2,977,821
Autos and trucks	2,804,954	249,173	202,372	2,851,755
Total accumulated depreciation	<u>15,026,198</u>	<u>1,311,987</u>	<u>237,031</u>	<u>16,101,154</u>
Total capital assets being depreciated, net	<u>17,061,430</u>	<u>(1,083,904)</u>	<u>4,520</u>	<u>15,973,006</u>
Governmental activities, capital assets, net	<u>\$ 17,724,419</u>	<u>\$ (248,321)</u>	<u>\$ 12,020</u>	<u>\$ 17,464,078</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 161,482	\$ -	\$ -	\$ 161,482
Capital assets being depreciated:				
Buildings and improvements	4,271	-	-	4,271
Sewer plant	31,236,404	110,303	-	31,346,707
Machinery and equipment	361,983	-	-	361,983
Autos and trucks	288,987	-	-	288,987
Total capital assets being depreciated	<u>31,891,645</u>	<u>110,303</u>	<u>-</u>	<u>32,001,948</u>
Less accumulated depreciation				
Buildings and improvements	1,414	107	-	1,521
Sewer plant	19,092,294	1,024,255	-	20,116,549
Machinery and equipment	292,422	22,515	-	314,937
Autos and trucks	273,887	10,571	-	284,458
Total accumulated depreciation	<u>19,660,017</u>	<u>1,057,448</u>	<u>-</u>	<u>20,717,465</u>
Total capital assets being depreciated, net	<u>12,231,628</u>	<u>(947,145)</u>	<u>-</u>	<u>11,284,483</u>
Business-type activities, capital assets, net	<u>\$ 12,393,110</u>	<u>\$ (947,145)</u>	<u>\$ -</u>	<u>\$ 11,445,965</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 237,977
Public safety	340,537
Public works	566,636
Economic development	8,074
Culture and recreation	155,427
Cemetery	<u>3,336</u>
Total depreciation expense	<u>\$1,311,987</u>

Depreciation expense was charged to the business-type activities as follows.

Sewer	<u>\$1,057,448</u>
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CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(8) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at August 31, 2020:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 212,261	\$ 81,146	\$ 293,407
Payroll liabilities	<u>397,369</u>	<u>24,077</u>	<u>421,446</u>
Totals	<u>\$ 609,630</u>	<u>\$ 105,223</u>	<u>\$ 714,853</u>

(9) Long-Term Liabilities

Long-term liabilities at August 31, 2020 are comprised of the following individual issues:

Governmental activities –

Bonds payable:

\$5,780,000 Louisiana Local Government Environmental Facilities and Community Development Authority - Revenue Refunding Bonds, Series 2011 due in annual installments of \$75,000 to \$360,000 through November 1, 2029, at a variable interest rate of 2% to 4.625%. The debt will be retired from excess annual revenue. \$3,345,000

Business-type activities –

Revenue bonds payable:

\$3,590,000 Sewer Revenue Refunding Bonds, Series 2012, due in annual installments of \$170,000 to \$250,000 through September, 2028; interest rate of 2.44%; to be retired from excess annual sewer revenues. \$2,040,000

\$1,900,000 Wastewater Revenue Bonds, Series 2013, due in annual installments of \$90,000 to \$100,000 through September, 2033; interest rate of .45%; to be retired from excess annual sewer revenues. 952,389

Total business-type activities long-term liabilities \$2,992,389

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

The long-term liabilities are due as follows:

Year Ending August 31,	Governmental Activities		Business-type Activities		Total
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	
2021	\$ 310,000	\$ 134,982	\$ 508,000	\$ 53,822	\$ 1,006,804
2022	315,000	122,482	313,000	47,814	798,296
2023	320,000	109,782	314,000	41,562	785,344
2024	325,000	96,882	320,000	35,302	777,184
2025	330,000	83,782	331,000	28,908	773,690
2026 - 2030	1,745,000	198,751	1,206,389	49,300	3,199,440
Totals	<u>\$ 3,345,000</u>	<u>\$ 746,661</u>	<u>\$ 2,992,389</u>	<u>\$ 256,708</u>	<u>\$ 7,340,758</u>

Changes in General Long-Term Liabilities

During the year ended August 31, 2020, the following changes occurred in long-term liabilities transactions and balances:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable -					
Revenue Refunding					
Bonds, Series 2011	<u>\$3,650,000</u>	<u>\$ -</u>	<u>\$ 305,000</u>	<u>\$3,345,000</u>	<u>\$ 310,000</u>
Business-type activities:					
Sewer Revenue					
Refunding Bonds,					
Series 2012	<u>\$2,040,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,040,000</u>	<u>\$ 415,000</u>
Wastewater Revenue					
Bonds, Series 2013	<u>1,020,389</u>	<u>-</u>	<u>68,000</u>	<u>952,389</u>	<u>93,000</u>
Total business- type activities	<u>\$3,060,389</u>	<u>\$ -</u>	<u>\$ 68,000</u>	<u>\$2,992,389</u>	<u>\$ 508,000</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(10) Department of Environmental Quality Revolving Loan

On June 26, 2013, the City issued \$1,900,000 of Wastewater Revenue Bonds, Series 2013, bearing interest of .45% for the rehabilitation and restoration improvements to the Rock Filter and Facultative Pond Levee System at the Wastewater Treatment Facility and to provide erosion protection for levees. The City entered into a loan and pledge agreement with the Department of Environmental Quality that allows the City to make draws of the \$1,900,000 commitment as construction funds are expended for the improvements to the Wastewater Treatment Facility. At August 31, 2020, amounts drawn to date totaled \$1,224,390.

(11) Outstanding Letter of Credit

At August 31, 2020 the City had a \$300,000 outstanding letter of credit secured by a certificate of deposit. The letter of credit is for the benefit of the Louisiana Office of Workers' Compensation.

(12) Flow of Funds; Restrictions on Use - Sewer Revenues

Under the terms of the loan and pledge agreements with the financial institutions, all revenues derived from the operation of the utilities system are to be deposited into an account designated as the Sewer Revenue Fund and said account is to be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of all reasonable and necessary expenses of operating and maintaining the utilities system.
- (b) Each month there shall be set aside into the Sewer Revenue Bond Sinking Fund on or before the 20th day of each month an amount equal to the principal and interest with respect to the bonds for such calendar month together with such additional proportionate sum as may be required to pay such principal and interest as they become due.
- (c) Each month, there shall be set aside into the Taxable Revenue Bond, Series 2013 Debt Service Reserve Fund on or before the 20th day of each month a sum at least equal to 25% of the amount required to be paid into the Sewer Revenue Bond Sinking Fund until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement.
- (d) Funds shall be set aside into the Depreciation and Contingency Fund to provide for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system. Transfers shall be made on or before the 20th day of each month until the Fund equals \$250,000. Payments are to be made in a sum equal to 5% of Net Revenues for the preceding month provided that sum is available after provision is made for the payments required under (a) – (c) above.

All required transfers were made for the year ended August 31, 2020.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(13) Employee Retirement

The City is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by four public employee retirement systems: the Municipal Employees' Retirement System of Louisiana (MERS) the Municipal Police Employees' Retirement System of Louisiana (MPERS), the Firefighters' Retirement System of Louisiana (FRS) and the Louisiana State Employees' Retirement System (LASERS).

Each of the retirement systems issue an annually publicly available stand-alone report on their financial statements and required supplementary information. These reports may be obtained on each retirement system's website or on the Louisiana Legislative Auditor's website as follows:

Municipal Employees' Retirement System – www.mersla.com

Municipal Police Employees' Retirement System – www.mpersla.com

Firefighters' Retirement System – www.ffmpeg.com

Louisiana State Employees' Retirement System – www.lasersonline.org

Louisiana Legislative Auditor – www.lla.la.gov

Plan description:

Municipal Employee's Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (the System) was originally established by Act 356 of 1954 regular session of the Legislature of the State of Louisiana. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City are members of Plan A.

Eligibility Requirements: Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the City are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership but whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the Plan A Tier 2 or Plan B Tier 2 of the System as a condition of employment.

Retirement Benefits: Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following is a brief 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.

Any member of Plan A, who commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

3. Any age with 20 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

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. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan A Tier 2 can retire providing the member meets one of the following requirements:

1. Age 67 with seven (7) or more years of creditable service.
2. Age 62 with ten (10) or more years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

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

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

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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 System.

Disability Benefits: For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases: 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 an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

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

Municipal Police Employees' Retirement System of Louisiana

Eligibility Requirements: Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Retirement Benefits: Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief 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.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service, not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If the deceased member had less than ten years of service, the beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Firefighters' Retirement System (FRS)

Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements: Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reasons of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits there from may become a member of System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Retirement Benefits: Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits: A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits: Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

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Deferred Retirement Option Plan Benefits: After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's deferred retirement option plan account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan: Effective June 16, 1999, 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. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments (COLAs): Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of living adjustment.

Louisiana State Employees' Retirement System (LASERS)

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LA R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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Notes to Basic Financial Statements

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 Benefits: 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. LASERS' 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, at age 55 upon completing 25 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 throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

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

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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.

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

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

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding the given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to be below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

Disability Benefits: 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.

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Upon reaching retirement age, 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 or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who became disables may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service of 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 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.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation, and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Cost of Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-

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of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Funding Policy:

Employer Contributions: According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2020, the employer contribution rates were as follows:

	<u>Status</u>	<u>Employer</u>
Municipal Employees' Retirement System of Louisiana (Plan A)	open	27.75%
Municipal Police Employees's Retirement System of Louisiana	open	33.75%
Firefighters Retirement System of Louisiana (above poverty line)	open	27.75%
Firefighters Retirement System of Louisiana (below poverty line)	open	29.75%
Louisiana State Employees' Retirement System (LASERS) Judges hired before 1/01/11	closed	42.40%

In accordance with state statute, the Systems receive ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. The City recognized non-employer contributions as follows:

Municipal Employees' Retirement System of Louisiana (Plan A)	\$ 55,254
Municipal Police Employees's Retirement System of Louisiana	93,741
Firefighters Retirement System of Louisiana	<u>171,079</u>
	<u>\$ 320,074</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The following schedule lists the City's proportionate share of net pension liability allocated by each of the pension plans based on the measurement dates. The City uses this measurement to record its net pension liability and associated amounts as of August 31, 2020 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at the measurement date for each plan, along with the change compared to prior year rates. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, determined by an actuarial valuation as of the measurement date.

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	Net Pension Liability (Asset)		Measurement Rate		Increase (Decrease)
	at Measurement Date		Current	Previous	
	Governmental Activities	Business- Type Activities			
MERS (Plan A) *	\$ 2,955,149	\$ 566,151	0.814473%	0.948318%	-0.133845%
MPERS *	3,974,747	-	0.430059%	0.489336%	-0.059277%
FRS *	4,232,473	-	0.610610%	0.646234%	-0.035624%
LASERS *	119,263	-	0.001440%	0.001610%	-0.000170%
Total	<u>\$11,281,632</u>	<u>\$ 566,151</u>			

* June 30, 2020 measurement date

The following schedule lists each pension plan's recognized pension expense of the City for the year ended August 31, 2020:

Municipal Employees' Retirement System of Louisiana (Plan A)	\$ 330,175
Municipal Police Employees's Retirement System of Louisiana	461,429
Firefighters Retirement System of Louisiana	664,071
Louisiana State Employees' Retirement System	<u>(8,238)</u>
	<u>\$ 1,447,437</u>

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

Municipal Employees' Retirement System (MERS)

	Governmental Activities		Business-type Activities	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,370	\$ 16,753	\$ 263	\$ 3,209
Change of assumptions	49,715	-	9,524	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	3,363	281,606	644	53,951
Net differences between projected and actual earnings on plan investments	294,893	-	56,496	-
Contributions subsequent to the measurement date	57,556	-	11,027	-
Total	<u>\$ 406,897</u>	<u>\$298,359</u>	<u>\$ 77,954</u>	<u>\$ 57,160</u>

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Municipal Police Employees' Retirement System (MPERS)

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 156,562
Change of assumptions	94,449	98,091
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	19,287	566,221
Net differences between projected and actual earnings on plan investments	476,850	-
Contributions subsequent to the measurement date	80,337	-
Total	<u>\$ 670,923</u>	<u>\$ 820,874</u>

Firefighters' Retirement System (FRS)

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 270,793
Change of assumptions	409,147	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	160,061	332,434
Net differences between projected and actual earnings on plan investments	466,106	-
Contributions subsequent to the measurement date	70,862	-
Total	<u>\$ 1,106,176</u>	<u>\$ 603,227</u>

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Louisiana State Employees' Retirement System (LASERS)

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,145
Change of assumptions	382	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	24,724
Net differences between projected and actual earnings on plan investments	17,434	-
Contributions subsequent to the measurement date	<u>2,018</u>	<u>-</u>
Total	<u>\$ 19,834</u>	<u>\$ 25,869</u>

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

Municipal Employees' Retirement System of Louisiana (Plan A)	\$ 68,583
Municipal Police Employees's Retirement System of Louisiana	80,337
Firefighters Retirement System of Louisiana	70,862
Louisiana State Employees' Retirement System	<u>2,018</u>
	<u>\$ 221,800</u>

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

Year Ended					
June 30:	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
2021	\$ (15,497)	\$ (188,450)	\$ 29,067	\$ (18,137)	\$ (193,017)
2022	(55,101)	(99,434)	159,497	661	5,623
2023	79,843	(32,964)	151,647	5,388	203,914
2024	51,504	90,560	84,137	4,035	230,236
2025	-	-	26,330	-	26,330
2026	-	-	(18,591)	-	(18,591)
	<u>\$ 60,749</u>	<u>\$ (230,288)</u>	<u>\$ 432,087</u>	<u>\$ (8,053)</u>	<u>\$ 254,495</u>

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Notes to Basic Financial Statements

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	6.95%, net of pension plan investment expense, including inflation	6.95%, net of investment income	7.0% per annum, net of investment expense, including inflation	7.55% per annum, net of investment expenses
Projected Salary Increases	Varies from 6.4% in 1st 4 years and 4.5% with more than 4 years of service	Varies from 12.3% in the 1st 2 years, 4.70% above 2 years	Varies from 14.10% in 1st 2 years to 5.20% with 3 or more years of service	Varies from 2.60% to 13.80% depending on member type
Expected Remaining Service Lives	3 years	4 years	7 years, closed period	2 years

Mortality:

Municipal Employees' Retirement System (MERS) –

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.

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.

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Notes to Basic Financial Statements

Disables lives mortality: PubNS-2010(B) Disables Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

Municipal Police Employees' Retirement System (MPERS) –

Annuitants and beneficiaries: Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

Disabled lives: Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.

Employees: Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

Firefighters' Retirement System (FRS) –

For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.

For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.

For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.

In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

Louisiana State Employees' Retirement System (LASERS) –

Non-disabled members - The RP-2014 Blue Collar (males/ females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

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

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Notes to Basic Financial Statements

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation			
	MERS	MPERS	FRS	LASERS
Equity	53.00%	48.50%	54.00%	0.00%
Fixed Income	38.00%	33.50%	31.00%	0.00%
Alternatives	9.00%	18.00%	15.00%	0.00%
Other	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>

Asset Class	Long-Term Expected Portfolio Real Rate of Return			
	MERS	MPERS	FRS	LASERS
Cash	0.00%	0.00%	0.00%	-0.59%
Fixed Income	1.67%	0.54%	4.40%	10.62%
Equity	2.33%	3.08%	26.80%	5.74%
Alternatives	0.40%	1.02%	14.49%	6.69%
Other	0.00%	0.00%	8.44%	4.20%
Total Fund				5.81%
Inflation	<u>2.60%</u>	<u>2.55%</u>	<u>2.50%</u>	<u>2.30%</u>
Expected Arithmetic Nominal Return	<u>7.00%</u>	<u>7.19%</u>	<u>7.00%</u>	<u>7.55%</u>

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, approved by Board of Trustees and the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in the Discount Rate: The following table presents the City's proportionate share of net pension liability using the discount rate of each retirement system, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

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	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
MERS (Plan A)			
Discount Rates	5.95%	6.95%	7.95%
Net Pension Liability (Asset)	\$4,580,825	\$3,521,300	\$2,625,426
MPERS			
Discount Rates	5.95%	6.95%	7.95%
Net Pension Liability (Asset)	\$5,584,096	\$3,974,747	\$2,629,398
FRS			
Discount Rates	6.00%	7.00%	8.00%
Net Pension Liability (Asset)	\$6,113,766	\$4,232,473	\$2,662,149
LASERS			
Discount Rates	6.55%	7.55%	8.55%
Net Pension Liability (Asset)	\$ 146,556	\$ 119,263	\$ 96,102

(14) Commitments and Contingencies

Litigation

At August 31, 2020, the City of Crowley was a defendant in several lawsuits. Reserves for claims losses are established and recorded as liabilities of the Risk Management Fund when information available indicates that it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, there are no claims and lawsuits that an unfavorable outcome would materially affect the financial statements. Also, the City may be exposed to losses for which the amounts cannot be determined at this time.

Grant Audits

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(15) Leases

A. Operating Lease

The City leases property with lease terms of one year or less. The minimum annual commitments under these operating leases are considered to be immaterial. Income recognized for the year ended August 31, 2020 was \$70,858.

B. Capital Lease

In September of 2017, the City entered into a lease agreement for acquisition of body cameras for the police department. Also, in February 2019, the City entered into a lease agreement for acquisition of 19 police vehicles. These lease agreements qualify as capital leases for accounting purposes, and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The future minimum lease obligation and the net present value of the minimum lease payments as of August 31, 2020 were as follows:

2021	\$221,105
2022	180,773
2023	<u>40,332</u>
Total minimum lease payments	442,210
Less: amount representing interest	<u>(25,870)</u>
Present value of minimum lease payments	<u>\$416,340</u>

At August 31, 2020, the equipment is included in capital assets with a cost of \$673,425 and accumulated depreciation of \$191,377. Depreciation expense of \$134,685 was recorded for these assets at August 31, 2020.

(16) Compensation, Benefits, and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Timothy Monceaux for the year ended August 31, 2020 follows:

Salary	\$ 77,258
Benefits - insurance	7,320
Benefits - retirement	22,115
Benefits - medicare	2,240
Travel expense reimbursement - gas	<u>465</u>
	<u>\$ 109,398</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(17) Compensation of City Officials

A detail of compensation paid to the City Officials for the year ended August 31, 2020 follows:

Steven C. Premeaux	\$ 11,350
Vernon Martin	10,150
Lyle Fogleman	10,150
Jeffery Cavell	10,150
Kimberly Stringfellow	10,150
Thompson Brad Core	10,150
Byron Wilridge, Sr.	10,150
Clinton Cradeur	10,150
Samuel J Reggie, III	10,150
	<u>\$ 92,550</u>

(18) Risk Management

A. Workmen's Compensation and Commercial Insurance Coverage

Effective February 1, 1994, the City established a risk management program for its workman's compensation coverage and accounts for it in the Workmen's Compensation Fund. Interfund premiums are paid into this fund and are available to pay claims and administrative costs. All funds of the City participate in the program and make payments to the Workmen's Compensation Fund based on premiums needed to pay prior and current year claims, administrative costs, and commercial insurance premiums and to establish a reserve for losses relating to catastrophes.

For the year ended August 31, 2020, the claims liability of \$31,407 was reported in the Workmen's Compensation Fund. The claims liability is based on the requirements of GASB, which are that a liability for claims be reported as of the financial statement date if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Reconciliation of Claims Liabilities

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning	\$ 24,916	\$ 53,739
Claims incurred	314,867	358,092
Claims payments	<u>(308,378)</u>	<u>(386,915)</u>
Unpaid claims, ending	<u>\$ 31,405</u>	<u>\$ 24,916</u>

Claims payable of \$31,405 at August 31, 2020 consisted of claims incurred prior to August 31, 2020 and paid in September, 2020 through October, 2020.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

B. Group Self- Insurance

Effective May 1, 1990, the City established a risk management program for its group health and life insurance coverage and accounts for it in the Employee Benefit Plan Fund. Both the employer and employees' share of premiums are paid into this fund and are available to pay claims and administrative costs. Interfund premiums are based primarily upon the insured fund's number of participants.

For the year ended August 31, 2020, the claims liability of \$205,897 was reported in the Employee Benefit Plan Fund. The claims liability is based on the requirements of GASB, which are that a liability for claims be reported as of the financial statement date if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Reconciliation of Claims Liabilities

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning	\$ 171,163	\$ 47,530
Claims incurred	2,307,904	1,305,884
Claims payments	<u>(2,273,170)</u>	<u>(1,182,251)</u>
Unpaid claims, ending	<u>\$ 205,897</u>	<u>\$ 171,163</u>

Claims payable of \$205,897 at August 31, 2020 consisted of claims incurred prior to August 31, 2020 and paid in September, 2020 through November, 2020.

(19) Post-employment Benefits

Plan Description – The City of Crowley (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Crowley's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service. Employees hired on and after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. Prior to Medicare the employer pays 100% of the premium for employee retirement coverage but not dependents; during Medicare the employer does not pay for coverage. The plan provisions and contribution rates are contained in the official plan documents.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Employees covered by benefit terms – At August 31, 2020, the following employees were covered by the benefit terms:

In active employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>109</u>
	<u>113</u>

The City's total OPEB liability of \$1,380,726 was measured as of August 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior Discount rate	2.97%
Discount rate	2.20%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of August 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the August 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from September 1, 2009 to August 31, 2020.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

The following presents changes in the total OPEB liability:

Balance at August 31, 2019	<u>\$ 1,374,221</u>
Changes for the year:	
Service cost	14,299
Interest	41,027
Differences between expected and actual experience	(92,592)
Changes in assumptions	74,529
Benefit payments and net transfers	<u>(30,758)</u>
Net changes	<u>6,505</u>
Balance at August 31, 2020	<u>\$ 1,380,726</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease <u>1.20%</u>	Current Discount Rate <u>2.20%</u>	1.0% Increase <u>3.20%</u>
Total OPEB liability	\$ 1,563,073	\$ 1,380,726	\$ 1,225,022

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease <u>4.50%</u>	Current Trend <u>5.50%</u>	1.0% Increase <u>6.50%</u>
Total OPEB liability	\$ 1,221,255	\$ 1,380,726	\$ 1,568,784

For the year ended August 31, 2020, the City recognized OPEB expense of \$62,286. At August 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 60,748	\$ 83,333
Changes in assumptions	<u>174,921</u>	<u>37,101</u>
Total	<u>\$ 235,669</u>	<u>\$ 120,434</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31:	
2021	\$ 6,960
2022	6,960
2023	6,960
2024	6,960
2025	6,960
2026 - 2040	<u>80,435</u>
	<u>\$ 115,235</u>

Actuarial Cost Method – Each employee’s service costs are calculated as a level percentage of that employee’s projected pay. The attribution period extends from the first period for which the employee provides service under the benefit terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are no plan assets since the OPEB benefits are not as yet funded.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays the cost of the medical insurance for the retiree or dependents under a fully insured plan, reduced by any employee contributions, but the active employees and pre-Medicare retirees are assigned the same rate, a blended rate. Thus, since GASB 74/75 mandates that “unblended” rates be used, the “unblended” rates have been estimated for retired members before Medicare eligibility to be an age and gender specific equivalent of the blended rates by applying an implied subsidy adjustment. The implied subsidy adjustment was developed for each gender at each retirement age before age 65 from data based on actual regional per-capita claims experience in recent years and as applied to the census data characteristics obtained historically for various regional employees.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(20) Interfund Receivables/Payables and Interfund Transfers

A. A summary of interfund receivables and payables at August 31, 2020 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 767,129	\$ 315,085
Sales Tax Fund	272,960	700,705
One-Half Cent Sales Tax - Salary Fund	599,113	-
2012 Sales Tax - Infrastructure Improvement fund	101,589	-
Nonmajor governmental funds	43,059	1,087
Internal service funds	2,073	50,000
Enterprise Fund	<u>-</u>	<u>719,046</u>
Total	<u>\$ 1,785,923</u>	<u>\$ 1,785,923</u>

The amounts due from the General Fund to various other funds are for reimbursements owed for expenditures paid for those funds.

B. Interfund transfers consisted of the following at August 31, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,819,159	\$ 720,322
Sales Tax Fund	-	4,257,636
1/2 Cent Sales Tax - Salary Fund	-	1,415,978
2012 Sales Tax - Infrastructure Improvement Fund	-	645,421
Nonmajor governmental funds	1,034,762	98,018
Internal service fund	428,408	-
Enterprise Fund	<u>-</u>	<u>144,954</u>
Total	<u>\$ 7,282,329</u>	<u>\$ 7,282,329</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(21) On-Behalf Payments

The City has recognized \$401,293 as revenue and expenditure for on-behalf salary payments, of which \$359,833 was made by the State of Louisiana, \$40,260 was made by the Acadia Parish Sheriff's Office, and \$1,200 was made by the Acadia Parish Police Jury.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(22) Beginning Fund Balance Adjustment

A prior period adjustment has been recorded to correct the accrual of sales tax revenues recorded in prior year in the government wide financial statements. This resulted in a restatement of previously reported fund balances as follows:

	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund	2012 Sales Tax - Infrastructure Improvement Fund
September 1, 2019 fund balance, as reported	\$ 552,658	\$ 1,264,502	\$ 7,700,991
Prior period adjustment:			
Correction of an error:			
Adjustment to correct sales tax accrual	<u>376,950</u>	<u>125,284</u>	<u>125,284</u>
September 1, 2019 fund balance, as restated	<u>\$ 929,608</u>	<u>\$ 1,389,786</u>	<u>\$ 7,826,275</u>

(23) New Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognizes as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. In April of 2020, GASB extended the implementation date of this standard by one year. The effect of implementation on the City's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$2,588,846	\$2,471,346	\$2,615,220	\$ 143,874
Licenses and permits	901,000	703,250	665,467	(37,783)
Intergovernmental	492,500	390,963	887,825	496,862
Charges for services	84,130	36,630	33,025	(3,605)
Fines and fees	192,000	223,500	260,299	36,799
Investment income	42,945	42,945	15,212	(27,733)
Miscellaneous	180,560	187,290	184,411	(2,879)
Total revenues	<u>4,481,981</u>	<u>4,055,924</u>	<u>4,661,459</u>	<u>605,535</u>
Expenditures:				
Current -				
General government	1,606,680	1,627,325	1,580,444	46,881
Public safety	6,420,417	6,383,551	6,362,340	21,211
Public works	1,403,073	1,587,988	1,598,385	(10,397)
Economic development	38,000	49,230	31,637	17,593
Capital outlay	2,500	65,627	188,783	(123,156)
Debt service -				
Principal retirement	166,105	166,105	192,750	(26,645)
Interest and fiscal charges	20,039	20,039	24,746	(4,707)
Total expenditures	<u>9,656,814</u>	<u>9,899,865</u>	<u>9,979,085</u>	<u>(79,220)</u>
Deficiency of revenues over expenditures	<u>(5,174,833)</u>	<u>(5,843,941)</u>	<u>(5,317,626)</u>	<u>526,315</u>
Other financing sources (uses):				
Proceeds from capital lease	-	-	161,328	161,328
Proceeds from sale of fixed assets	-	46,500	66,518	20,018
Transfers in	5,473,740	5,473,740	5,819,159	345,419
Transfers out	(291,914)	(291,914)	(720,322)	(428,408)
Total other financing sources (uses)	<u>5,181,826</u>	<u>5,228,326</u>	<u>5,326,683</u>	<u>98,357</u>
Net change in fund balance	6,993	(615,615)	9,057	624,672
Fund balance, beginning	<u>1,759,667</u>	<u>1,759,667</u>	<u>1,759,667</u>	<u>-</u>
Fund balance, ending	<u>\$1,766,660</u>	<u>\$1,144,052</u>	<u>\$1,768,724</u>	<u>\$ 624,672</u>

CITY OF CROWLEY, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 4,324,890	\$ 4,324,890	\$ 4,569,261	\$ 244,371
Investment income	<u>620</u>	<u>620</u>	<u>1,582</u>	<u>962</u>
Total revenues	<u>4,325,510</u>	<u>4,325,510</u>	<u>4,570,843</u>	<u>245,333</u>
Expenditures:				
Current -				
General government	<u>67,873</u>	<u>70,204</u>	<u>76,457</u>	<u>(6,253)</u>
Excess of revenues over expenditures	4,257,637	4,255,306	4,494,386	239,080
Other financing uses:				
Transfers out	<u>(4,257,637)</u>	<u>(4,257,637)</u>	<u>(4,257,636)</u>	<u>1</u>
Net change in fund balance	-	(2,331)	236,750	239,081
Fund balance, beginning, as restated	<u>929,608</u>	<u>929,608</u>	<u>929,608</u>	<u>-</u>
Fund balance, ending	<u>\$ 929,608</u>	<u>\$ 927,277</u>	<u>\$ 1,166,358</u>	<u>\$ 239,081</u>

CITY OF CROWLEY, LOUISIANA
One-Half Cent Sales Tax - Salary Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,441,630	\$ 1,441,630	\$ 1,516,327	\$ 74,697
Investment income	<u>3,200</u>	<u>3,200</u>	<u>2,622</u>	<u>(578)</u>
Total revenues	1,444,830	1,444,830	1,518,949	74,119
Expenditures:				
Current -				
General government	<u>25,175</u>	<u>27,506</u>	<u>28,338</u>	<u>(832)</u>
Excess of revenues over expenditures	1,419,655	1,417,324	1,490,611	73,287
Other financing uses:				
Transfers out	<u>(1,419,655)</u>	<u>(1,419,655)</u>	<u>(1,415,978)</u>	<u>3,677</u>
Net change in fund balance	-	(2,331)	74,633	76,964
Fund balance, beginning, as restated	<u>1,389,786</u>	<u>1,389,786</u>	<u>1,389,786</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,389,786</u>	<u>\$ 1,387,455</u>	<u>\$ 1,464,419</u>	<u>\$ 76,964</u>

CITY OF CROWLEY, LOUISIANA
2012 Sales Tax - Infrastructure Improvement Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,441,630	\$ 1,441,630	\$ 1,516,327	\$ 74,697
Net increase in fair value of investments	<u>215,000</u>	<u>215,000</u>	<u>228,849</u>	<u>13,849</u>
Total revenues	1,656,630	1,656,630	1,745,176	88,546
Expenditures:				
Current -				
General government	25,675	26,048	26,851	(803)
Public works	-	-	13,116	(13,116)
Capital outlay	<u>-</u>	<u>-</u>	<u>835,583</u>	<u>(835,583)</u>
Total expenditures	<u>25,675</u>	<u>26,048</u>	<u>875,550</u>	<u>(849,502)</u>
Excess of revenues over expenditures	1,630,955	1,630,582	869,626	(760,956)
Other financing uses:				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(645,421)</u>	<u>(345,421)</u>
Net change in fund balance	1,330,955	1,330,582	224,205	(1,106,377)
Fund balance, beginning, as restated	<u>7,826,275</u>	<u>7,826,275</u>	<u>7,826,275</u>	<u>-</u>
Fund balance, ending	<u>\$9,157,230</u>	<u>\$9,156,857</u>	<u>\$8,050,480</u>	<u>\$(1,106,377)</u>

CITY OF CROWLEY, LOUISIANA

Notes to Budgetary Comparison Schedule

(1) Budgets and Budgetary Accounting

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

- (a) The City Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and City Council not later than fifteen days prior to the beginning of each fiscal year.
- (b) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- (c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- (d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- (e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.
- (f) All budgetary appropriations lapse at the end of each fiscal year.
- (g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Council.

The General Fund, Sales Tax Fund, One-Half Cent Sales Tax – Salary Fund, and the 2012 Sales Tax – Infrastructure Improvement Fund reported excess expenditures over appropriations.

CITY OF CROWLEY, LOUISIANA

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Changes for the year:			
Service cost	\$ 14,299	\$ 11,442	\$ 12,787
Interest	41,027	47,127	42,104
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(92,592)	21,457	50,179
Changes of assumptions	74,529	122,224	(44,522)
Benefit payments	<u>(30,758)</u>	<u>(36,930)</u>	<u>(35,005)</u>
Net change in total OPEB liability	6,505	165,320	25,543
Total OPEB liability - beginning	<u>1,374,221</u>	<u>1,208,901</u>	<u>1,183,358</u>
Total OPEB liability - ending	<u>\$1,380,726</u>	<u>\$1,374,221</u>	<u>\$ 1,208,901</u>
Covered - employee payroll	<u>\$3,667,967</u>	<u>\$4,201,335</u>	<u>\$ 4,078,966</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>37.64%</u>	<u>32.71%</u>	<u>29.64%</u>
Notes to Schedule:			
Benefit Changes	None	None	None
Changes of Assumptions:			
Discount Rate	2.20%	2.97%	3.88%
Mortality	RP-2014	RP-2000	RP-2000
Trend	Variable	5.50%	5.50%

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
Municipal Employees' Retirement System - Plan A
For the Year Ended August 31, 2020

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer'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
2015	1.016240%	\$ 3,630,168	\$ 1,751,109	207.31%	66.18%
2016	0.991152%	\$ 4,062,445	\$ 1,761,004	230.69%	62.11%
2017	0.983876%	\$ 4,115,968	\$ 1,782,810	230.87%	62.49%
2018	0.944911%	\$ 3,912,572	\$ 1,576,562	248.17%	63.94%
2019	0.948318%	\$ 3,962,700	\$ 1,688,062	234.75%	64.68%
2020	0.814473%	\$ 3,521,300	\$ 1,556,723	226.20%	64.52%

* The amounts presented have a measurement date of June 30.

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer Contributions
Municipal Employees' Retirement System - Plan A
For the Year Ended August 31, 2020

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 339,460	\$ 339,460	\$ -	\$ 1,773,145	19.14%
2016	\$ 349,690	\$ 349,690	\$ -	\$ 1,754,813	19.93%
2017	\$ 393,156	\$ 393,156	\$ -	\$ 1,707,230	23.03%
2018	\$ 416,092	\$ 416,092	\$ -	\$ 1,557,923	26.71%
2019	\$ 484,853	\$ 484,853	\$ -	\$ 1,719,220	28.20%
2020	\$ 426,436	\$ 426,436	\$ -	\$ 1,517,145	28.11%

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees' Retirement System
For the Year Ended August 31, 2020

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer'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
2015	0.483806%	\$ 3,790,114	\$ 1,281,284	295.81%	70.73%
2016	0.534363%	\$ 5,008,487	\$ 1,228,042	407.84%	66.04%
2017	0.529237%	\$ 4,620,463	\$ 1,568,181	294.64%	70.08%
2018	0.539208%	\$ 4,558,497	\$ 1,583,531	287.87%	71.89%
2019	0.489336%	\$ 4,443,990	\$ 1,518,571	292.64%	71.01%
2020	0.430059%	\$ 3,974,747	\$ 1,439,022	276.21%	70.94%

* The amounts presented have a measurement date of June 30.

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer Contributions
Municipal Police Employees' Retirement System
For the Year Ended August 31, 2020

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 407,996	\$ 407,996	\$ -	\$ 1,290,437	31.62%
2016	\$ 420,498	\$ 420,498	\$ -	\$ 1,235,209	34.04%
2017	\$ 492,477	\$ 492,477	\$ -	\$ 1,562,453	31.52%
2018	\$ 491,991	\$ 491,991	\$ -	\$ 1,578,543	31.17%
2019	\$ 498,542	\$ 498,542	\$ -	\$ 1,495,624	33.33%
2020	\$ 477,407	\$ 477,407	\$ -	\$ 1,459,790	32.70%

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
 Firefighters' Retirement System
 For the Year Ended August 31, 2020

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer'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
2015	0.653756%	\$ 3,528,395	\$ 1,401,307	251.79%	72.45%
2016	0.649170%	\$ 4,246,159	\$ 1,463,744	290.09%	68.16%
2017	0.646731%	\$ 3,706,964	\$ 1,510,026	245.49%	73.55%
2018	0.605011%	\$ 3,480,070	\$ 1,440,435	241.60%	74.76%
2019	0.646234%	\$ 4,046,659	\$ 1,544,847	261.95%	73.96%
2020	0.610610%	\$ 4,232,473	\$ 1,520,129	278.43%	72.61%

* The amounts presented have a measurement date of June 30.

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer Contributions
 Firefighters' Retirement System
 For the Year Ended August 31, 2020

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 408,671	\$ 408,671	\$ -	\$ 1,408,210	29.02%
2016	\$ 396,009	\$ 396,009	\$ -	\$ 1,475,113	26.85%
2017	\$ 370,264	\$ 370,264	\$ -	\$ 1,452,523	25.49%
2018	\$ 386,559	\$ 386,559	\$ -	\$ 1,445,149	26.75%
2019	\$ 423,078	\$ 423,078	\$ -	\$ 1,556,545	27.18%
2020	\$ 421,850	\$ 421,850	\$ -	\$ 1,504,584	28.04%

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
Louisiana State Employees' Retirement System
For the Year Ended August 31, 2020

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer'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
2015	0.001880%	\$ 84,679	\$ 23,003	368.1%	62.66%
2016	0.001300%	\$ 102,319	\$ 25,001	409.3%	57.70%
2017	0.002380%	\$ 167,595	\$ 27,124	617.9%	62.50%
2018	0.002290%	\$ 156,449	\$ 30,301	516.3%	64.30%
2019	0.001610%	\$ 116,933	\$ 29,625	394.7%	62.90%
2020	0.001440%	\$ 119,263	\$ 29,718	401.3%	58.00%

* The amounts presented have a measurement date of June 30.

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

CITY OF CROWLEY, LOUISIANA

Schedule of Employer Contributions
Louisiana State Employees' Retirement System
For the Year Ended August 31, 2020

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 10,281	\$ 10,281	\$ -	\$ 24,039	42.77%
2016	\$ 9,545	\$ 9,545	\$ -	\$ 25,001	38.18%
2017	\$ 10,531	\$ 10,531	\$ -	\$ 26,978	39.04%
2018	\$ 12,193	\$ 12,193	\$ -	\$ 30,301	40.24%
2019	\$ 12,564	\$ 12,564	\$ -	\$ 29,718	42.28%
2020	\$ 12,603	\$ 12,603	\$ -	\$ 29,718	42.41%

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

CITY OF CROWLEY, LOUISIANA

Notes to Retirement System Schedules

(1) Retirement Systems

A. Municipal Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2020.

Changes of assumptions –

* Year Ended August 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
2015	7.500%	7.500%	2.875%	3	-	5.00%
2016	7.500%	7.500%	2.875%	3	-	5.00%
2017	7.400%	7.400%	2.775%	3	-	5.00%
2018	7.275%	7.275%	2.600%	3	-	5.00%
2019	7.000%	7.000%	2.500%	3	4.50%	6.40%
2020	6.950%	6.950%	2.500%	3	4.50%	6.40%

B. Municipal Police Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2020.

Changes of assumptions –

* Year Ended August 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
2015	7.500%	7.500%	2.875%	4	4.25%	9.75%
2016	7.500%	7.500%	2.875%	4	4.25%	9.75%
2017	7.325%	7.500%	2.700%	4	4.25%	9.75%
2018	7.200%	7.200%	2.600%	4	4.25%	9.75%
2019	7.125%	7.125%	2.500%	4	4.25%	9.75%
2020	6.950%	6.950%	2.500%	4	4.70%	12.30%

* The amounts presented have a measurement date of June 30.

CITY OF CROWLEY, LOUISIANA

Notes to Retirement System Schedules (Continued)

C. Firefighters' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2020.

Changes of assumptions –

* Year Ended August 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
2015	7.50%	7.50%	2.875%	7	4.75%	15.00%
2016	7.50%	7.50%	2.875%	7	4.75%	15.00%
2017	7.40%	7.40%	2.775%	7	4.75%	15.00%
2018	7.30%	7.30%	2.700%	7	4.75%	15.00%
2019	7.15%	7.15%	2.500%	7	4.50%	14.75%
2020	7.00%	7.00%	2.500%	7	5.20%	14.10%

* The amounts presented have a measurement date of June 30.

D. Louisiana State Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2020.

Changes of assumptions –

* Year Ended August 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
2015	7.750%	7.750%	3.000%	3	3.00%	5.50%
2016	7.750%	7.750%	3.000%	3	3.00%	5.50%
2017	7.700%	7.700%	2.750%	3	2.80%	5.30%
2018	7.650%	7.650%	2.750%	3	2.80%	5.30%
2019	7.600%	7.600%	2.500%	2	2.80%	5.30%
2020	7.550%	7.550%	2.300%	2	2.60%	5.10%

* The amounts presented have a measurement date of June 30.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended August 31, 2020
With Comparative Actual Amounts for the Year Ended August 31, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 1,655,346	\$ 1,632,846	\$ 1,697,123	\$ 64,277	\$ 1,635,529
Electric franchise	619,000	524,000	595,964	71,964	591,771
Gas franchise	87,500	87,500	87,698	198	99,629
Telephone franchise	20,000	20,000	17,792	(2,208)	26,107
Cable TV franchise	120,000	120,000	123,116	3,116	121,808
Water franchise	72,000	72,000	78,145	6,145	70,242
In lieu of tax payments	10,000	10,000	10,000	-	10,000
Interest and penalties on taxes	5,000	5,000	5,382	382	8,224
Total taxes	<u>2,588,846</u>	<u>2,471,346</u>	<u>2,615,220</u>	<u>143,874</u>	<u>2,563,310</u>
Licenses and permits:					
Occupational licenses	475,000	287,000	279,648	(7,352)	239,636
Insurance licenses	290,000	290,000	258,684	(31,316)	277,936
Liquor licenses	31,700	31,700	33,329	1,629	39,823
Building permits	63,300	57,800	56,319	(1,481)	45,728
Chain store licenses	10,000	10,000	10,733	733	9,153
Other licenses and permits	31,000	26,750	26,754	4	9,395
Total licenses and permits	<u>901,000</u>	<u>703,250</u>	<u>665,467</u>	<u>(37,783)</u>	<u>621,671</u>
Intergovernmental:					
Beer tax revenue	25,000	20,000	20,113	113	19,812
Video poker tax revenue	400,000	300,000	366,293	66,293	390,265
2% fire insurance proceeds	53,500	53,500	52,247	(1,253)	53,003
Federal grants	-	8,000	-	(8,000)	(6,817)
State grants	14,000	9,463	47,879	38,416	28,097
On-behalf payments	-	-	401,293	401,293	413,424
Total intergovernmental	<u>492,500</u>	<u>390,963</u>	<u>887,825</u>	<u>496,862</u>	<u>897,784</u>
Charges for services:					
Lot cutting fees	50,000	5,000	2,119	(2,881)	3,200
Animal control fees	4,000	1,500	1,265	(235)	1,450
Frame and grate income	1,000	1,000	1,363	363	1,016
State highway clean-up fees	24,730	24,730	26,254	1,524	24,730
Miscellaneous fees	4,400	4,400	2,024	(2,376)	3,282
Total charges for services	<u>84,130</u>	<u>36,630</u>	<u>33,025</u>	<u>(3,605)</u>	<u>33,678</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended August 31, 2020
With Comparative Actual Amounts for the Year Ended August 31, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Fines and fees:					
Court fines and fees	192,000	223,500	260,299	36,799	73,944
Investment income	42,945	42,945	15,212	(27,733)	73,913
Miscellaneous:					
Rental of property	73,800	73,800	70,858	(2,942)	70,408
Mardi Gras fundraiser	-	6,730	6,730	-	7,500
Gas and oil royalties	350	350	143	(207)	357
Miscellaneous police revenues	27,510	27,510	21,472	(6,038)	50,680
Retirees insurance reimbursements	31,500	31,500	30,426	(1,074)	11,306
Other	47,400	47,400	54,782	7,382	64,470
Total miscellaneous	180,560	187,290	184,411	(2,879)	204,721
 Total revenues	 \$4,481,981	 \$ 4,055,924	 \$ 4,661,459	 \$ 605,535	 \$4,469,021

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended August 31, 2020
With Comparative Actual Amounts for the Year Ended August 31, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
General government -					
Administrative:					
Salaries and wages	\$ 508,392	\$ 476,591	\$ 480,311	\$ (3,720)	\$ 528,982
Payroll taxes	12,720	12,192	11,936	256	11,019
Retirement	114,398	105,424	98,080	7,344	106,521
Group insurance	153,655	151,667	125,150	26,517	103,087
General insurance	25,610	25,610	29,864	(4,254)	26,535
Office expense	18,000	18,000	19,313	(1,313)	23,410
Telephone and utilities	16,000	16,000	16,034	(34)	38,058
Professional services	100,000	169,000	186,393	(17,393)	136,428
Computer expense	85,000	85,000	66,530	18,470	107,781
Convention and schools	8,000	8,000	4,085	3,915	17,810
Dues	4,500	4,500	3,603	897	6,089
Publication expense	23,300	23,300	23,113	187	25,315
Tax roll expense	17,000	17,000	23,216	(6,216)	16,971
Collision loss	172,000	172,000	86,433	85,567	153,412
Repairs and maintenance	8,000	8,000	28,143	(20,143)	10,783
Miscellaneous	37,450	40,650	82,711	(42,061)	94,242
Total administrative	<u>1,304,025</u>	<u>1,332,934</u>	<u>1,284,915</u>	<u>48,019</u>	<u>1,406,443</u>
Courts:					
Salaries and wages	168,963	162,871	164,044	(1,173)	169,127
Payroll taxes	2,672	2,572	2,363	209	2,431
Retirement	53,749	52,058	52,855	(797)	49,896
Group insurance	43,906	43,525	41,837	1,688	41,273
General insurance	11,565	11,565	12,994	(1,429)	11,367
City court appropriation	10,000	10,000	10,000	-	40,000
Telephone and utilities	8,200	8,200	8,770	(570)	7,968
Miscellaneous	3,600	3,600	2,666	934	4,890
Total courts	<u>302,655</u>	<u>294,391</u>	<u>295,529</u>	<u>(1,138)</u>	<u>326,952</u>
Total general government	<u>1,606,680</u>	<u>1,627,325</u>	<u>1,580,444</u>	<u>46,881</u>	<u>1,733,395</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2020
With Comparative Actual Amounts for the Year Ended August 31, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Public safety -					
Fire department:					
Salaries and wages	1,504,921	1,472,937	1,631,789	(158,852)	1,723,751
Payroll taxes	30,124	29,596	26,337	3,259	27,526
Retirement	450,493	441,617	426,187	15,430	423,078
Group insurance	371,301	368,982	317,117	51,865	318,611
General insurance	66,790	66,790	76,350	(9,560)	62,333
Office expense	2,400	2,400	2,394	6	2,606
Telephone and utilities	43,700	43,700	35,838	7,862	45,232
Gas and oil	12,500	12,500	9,225	3,275	12,897
Repairs and supplies	111,500	111,500	79,499	32,001	86,121
Uniforms	13,500	13,500	12,217	1,283	13,230
External appropriations	500	500	500	-	6,000
Fire prevention	3,280	3,280	2,830	450	2,145
Miscellaneous	14,700	14,700	4,687	10,013	4,356
Total fire department	<u>2,625,709</u>	<u>2,582,002</u>	<u>2,624,970</u>	<u>(42,968)</u>	<u>2,727,886</u>
Police department:					
Salaries and wages	1,648,896	1,648,896	1,783,711	(134,815)	1,799,085
Payroll taxes	31,763	31,763	29,061	2,702	29,175
Retirement	555,971	555,971	479,108	76,863	524,010
Group insurance	479,609	479,609	408,039	71,570	380,210
General insurance	266,181	266,181	290,543	(24,362)	250,733
Office expense	11,500	11,500	6,564	4,936	17,361
Telephone and utilities	71,000	71,000	42,851	28,149	72,612
Computer expense	48,500	48,500	50,887	(2,387)	47,469
Gas and oil	75,000	75,000	63,775	11,225	86,508
Repairs and maintenace	41,300	41,300	65,643	(24,343)	211,358
Conventions and schools	15,000	15,000	10,272	4,728	13,847
Building rental	90,000	90,000	84,300	5,700	117,216
Miscellaneous	104,500	104,500	80,422	24,078	113,914
Total police department	<u>3,439,220</u>	<u>3,439,220</u>	<u>3,395,176</u>	<u>44,044</u>	<u>3,663,498</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2020
With Comparative Actual Amounts for the Year Ended August 31, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Code enforcement:					
Salaries and wages	158,946	164,056	145,867	18,189	138,176
Payroll taxes	2,397	2,470	3,241	(771)	2,361
Retirement	38,923	40,211	37,484	2,727	33,728
Group insurance	44,282	44,652	36,469	8,183	32,756
General insurance	17,290	17,290	20,063	(2,773)	15,507
Office expense	5,000	5,000	5,285	(285)	4,414
Telephone and utilities	9,000	9,000	12,622	(3,622)	11,164
Gas and oil	5,000	5,000	3,914	1,086	7,804
Repairs and supplies	17,500	17,500	24,513	(7,013)	33,067
Trash clean-up	50,000	50,000	41,953	8,047	12,277
Animal control	2,000	2,000	2,097	(97)	2,508
Miscellaneous	5,150	5,150	8,686	(3,536)	13,788
Total code enforcement	<u>355,488</u>	<u>362,329</u>	<u>342,194</u>	<u>20,135</u>	<u>307,550</u>
Total public safety	<u>6,420,417</u>	<u>6,383,551</u>	<u>6,362,340</u>	<u>21,211</u>	<u>6,698,934</u>
Public works -					
Drainage and public buildings:					
Salaries and wages	206,377	206,377	192,761	13,616	207,399
Payroll taxes	4,141	4,141	4,409	(268)	3,567
Retirement	52,592	52,592	46,916	5,676	47,518
Group insurance	46,649	46,649	54,285	(7,636)	43,216
General insurance	30,056	30,056	34,817	(4,761)	27,086
Telephone and utilities	32,000	32,000	27,176	4,824	40,446
Professional services	5,000	5,000	-	5,000	-
Gas and oil	6,000	6,000	4,498	1,502	6,365
Repairs and maintenance	66,750	223,750	264,232	(40,482)	295,969
Miscellaneous	13,775	13,775	12,339	1,436	15,283
Total drainage and public buildings	<u>463,340</u>	<u>620,340</u>	<u>641,433</u>	<u>(21,093)</u>	<u>686,849</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2020
With Comparative Actual Amounts for the Year Ended August 31, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Street department:					
Salaries and wages	288,659	265,024	247,775	17,249	282,678
Payroll taxes	5,923	5,591	7,183	(1,592)	5,755
Retirement	64,931	58,291	52,150	6,141	64,764
Group insurance	70,541	69,063	66,833	2,230	62,076
General insurance	56,354	56,354	66,084	(9,730)	49,622
Gas and oil	25,000	25,000	20,955	4,045	33,056
Repairs and supplies	65,000	125,000	231,291	(106,291)	205,980
Asphalt, gravel, shell, and sand	14,000	14,000	15,796	(1,796)	10,052
Street signs and signals	20,000	20,000	1,150	18,850	15,461
Street and traffic lights	251,000	251,000	174,078	76,922	267,826
Telephone and utilities	10,000	10,000	25,782	(15,782)	13,106
Rice festival expense	15,000	15,000	10,395	4,605	15,753
Tree expense	2,500	2,500	261	2,239	1,536
Mosquito control	35,000	35,000	14,578	20,422	34,468
Miscellaneous	15,825	15,825	22,641	(6,816)	27,107
Total street department	<u>939,733</u>	<u>967,648</u>	<u>956,952</u>	<u>10,696</u>	<u>1,089,240</u>
Total public works	<u>1,403,073</u>	<u>1,587,988</u>	<u>1,598,385</u>	<u>(10,397)</u>	<u>1,776,089</u>
Economic development -					
Mardi Gras Fundraiser	-	11,230	11,409	(179)	23,599
Tourism and promotion	38,000	38,000	20,228	17,772	71,859
Total economic development	<u>38,000</u>	<u>49,230</u>	<u>31,637</u>	<u>17,593</u>	<u>95,458</u>
Capital outlay	<u>2,500</u>	<u>65,627</u>	<u>188,783</u>	<u>(123,156)</u>	<u>653,354</u>
Debt service -					
Principal retirement	166,105	166,105	192,750	(26,645)	209,015
Interest and fiscal charges	20,039	20,039	24,746	(4,707)	2,542
Total debt service	<u>186,144</u>	<u>186,144</u>	<u>217,496</u>	<u>(31,352)</u>	<u>211,557</u>
Total expenditures	<u>\$ 9,656,814</u>	<u>\$ 9,899,865</u>	<u>\$ 9,979,085</u>	<u>\$ (79,220)</u>	<u>\$ 11,168,787</u>

CITY OF CROWLEY, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
August 31, 2020

	Special Revenue	Debt Service	Total
ASSETS			
Cash and interest-bearing deposits	\$1,189,915	\$ 346,981	\$1,536,896
Receivables:			
Accrued interest receivable	128	-	128
Due from other funds	43,059	-	43,059
Total assets	\$1,233,102	\$ 346,981	\$1,580,083
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 7,691	\$ -	\$ 7,691
Accrued liabilities	14,192	-	14,192
Due to other funds	1,087	-	1,087
Total liabilities	22,970	-	22,970
Fund balances:			
Restricted	994,850	346,981	1,341,831
Assigned	215,282	-	215,282
Total fund balances	1,210,132	346,981	1,557,113
Total liabilities and fund balances	\$1,233,102	\$ 346,981	\$1,580,083

CITY OF CROWLEY, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2020

	Special Revenue	Debt Service	Total
Revenues:			
Taxes	\$ 365,270	\$ -	\$ 365,270
Intergovernmental	13,999	-	13,999
Charges for services	140,040	-	140,040
Investment income	2,344	1,632	3,976
Miscellaneous	10,195	-	10,195
Total revenues	531,848	1,632	533,480
Expenditures:			
Current -			
General government	15,677	742	16,419
Economic development	2,108	-	2,108
Culture and recreation	748,508	-	748,508
Cemetery	70,067	-	70,067
Capital outlay	39,300	-	39,300
Debt service -			
Principal retirement	-	305,000	305,000
Interest and fiscal charges	-	151,042	151,042
Total expenditures	875,660	456,784	1,332,444
Deficiency of revenues over expenditures	(343,812)	(455,152)	(798,964)
Other financing sources (uses):			
Transfers in	577,552	457,210	1,034,762
Transfers out	(98,018)	-	(98,018)
Total financing sources (uses)	479,534	457,210	936,744
Net changes in fund balances	135,722	2,058	137,780
Fund balance, beginning	1,074,410	344,923	1,419,333
Fund balance, ending	\$ 1,210,132	\$ 346,981	\$ 1,557,113

NONMAJOR SPECIAL REVENUE FUNDS

Industrial Inducement Fund

The Industrial Inducement fund is a restricted fund to be used for industrial development.

Rice City Civic Center Fund

The Rice City Civic Center fund accounts for the receipt and disbursement of funds used in the maintenance and operation of the civic center.

Youth Recreation Operation Fund

The Youth Recreation Operation fund accounts for the receipt and disbursement of funds to be used in the daily operations of the youth center.

Youth Recreation Building Maintenance Fund

The Youth Recreation Building Maintenance fund accounts for the receipt and disbursement of funds received from the sales tax fund to be used for the maintenance of the youth center buildings.

Cemetery Maintenance Fund

The Cemetery Maintenance fund accounts for the receipt and disbursement of funds used in the maintenance of the City cemetery.

Cemetery Development Fund

The Cemetery Development fund accounts for the receipt and disbursement of the proceeds from the sale of cemetery plots. Proceeds are used for the development and maintenance of the new section of the South

Motor Vehicle Facility Fund

The City owns the facility that is used by the State Motor Vehicle Department. The State reimburses a fee to the City and this fund is to account for the collection and disbursement of those fees. The fees changed from \$2.00 per eligible transaction to \$3.00 effective July 1, 2003.

Main Street Fund

This fund is for operation and management expenses of main street projects.

CITY OF CROWLEY, LOUISIANA
Nonmajor Special Revenue Funds

Combining Balance Sheet
August 31, 2020

	Industrial Inducement Fund	Rice City Civic Center Fund	Youth Recreation Operation Fund	Youth Recreation Building Maintenance Fund
ASSETS				
Cash and interest-bearing deposits	\$ 560,556	\$ 10,527	\$ 170,088	\$ 32,717
Receivables:				
Accrued interest receivable	96	-	-	-
Due from other funds	-	-	32,508	9,626
Total assets	\$ 560,652	\$ 10,527	\$ 202,596	\$ 42,343
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 236	\$ 1,032	\$ 6,047
Accrued liabilities	-	-	11,817	1,325
Due to other funds	-	-	-	-
Total liabilities	-	236	12,849	7,372
Fund balances:				
Restricted	560,652	-	189,747	34,971
Assigned	-	10,291	-	-
Total fund balance	560,652	10,291	189,747	34,971
 Total liabilities and fund balance	 \$ 560,652	 \$ 10,527	 \$ 202,596	 \$ 42,343

Cemetery Maintenance Fund	Cemetery Development Fund	Motor Vehicle Facility Fund	Main Street Fund	Total
\$ 210,876	\$ 56,075	\$ 147,434	\$ 1,642	\$ 1,189,915
32	-	-	-	128
-	925	-	-	43,059
<u>\$ 210,908</u>	<u>\$ 57,000</u>	<u>\$ 147,434</u>	<u>\$ 1,642</u>	<u>\$ 1,233,102</u>
\$ 248	\$ -	\$ 128	\$ -	\$ 7,691
1,050	-	-	-	14,192
130	925	32	-	1,087
<u>1,428</u>	<u>925</u>	<u>160</u>	<u>-</u>	<u>22,970</u>
209,480	-	-	-	994,850
-	56,075	147,274	1,642	215,282
<u>209,480</u>	<u>56,075</u>	<u>147,274</u>	<u>1,642</u>	<u>1,210,132</u>
<u>\$ 210,908</u>	<u>\$ 57,000</u>	<u>\$ 147,434</u>	<u>\$ 1,642</u>	<u>\$ 1,233,102</u>

CITY OF CROWLEY, LOUISIANA
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended August 31, 2020

	Industrial Inducement Fund	Rice City Civic Center Fund	Youth Recreation Operation Fund	Youth Recreation Building Maintenance Fund
Revenues:				
Taxes	\$ -	\$ -	\$ 230,686	\$ 76,895
Intergovernmental	-	-	-	13,999
Charges for services	-	7,677	80,349	-
Investment income	284	-	220	76
Miscellaneous	-	163	10,032	-
Total revenues	<u>284</u>	<u>7,840</u>	<u>321,287</u>	<u>90,970</u>
Expenditures:				
Current -				
General government	-	-	-	-
Economic development	729	-	-	-
Culture and recreation	-	57,098	529,483	161,927
Cemetery	-	-	-	-
Capital outlay	-	-	39,300	-
Total expenditures	<u>729</u>	<u>57,098</u>	<u>568,783</u>	<u>161,927</u>
Excess (deficiency) of revenues over expenditures	<u>(445)</u>	<u>(49,258)</u>	<u>(247,496)</u>	<u>(70,957)</u>
Other financing sources (uses):				
Transfers in	-	31,491	419,918	126,143
Transfers out	-	(8,195)	(41,039)	(13,784)
Total financing sources (uses)	<u>-</u>	<u>23,296</u>	<u>378,879</u>	<u>112,359</u>
Net changes in fund balances	(445)	(25,962)	131,383	41,402
Fund balances, beginning	<u>561,097</u>	<u>36,253</u>	<u>58,364</u>	<u>(6,431)</u>
Fund balances, ending	<u>\$ 560,652</u>	<u>\$ 10,291</u>	<u>\$ 189,747</u>	<u>\$ 34,971</u>

Cemetery Maintenance Fund	Cemetery Development Fund	Motor Vehicle Facility Fund	Main Street Fund	Total
\$ 57,689	\$ -	\$ -	\$ -	\$ 365,270
-	5,200	46,814	-	140,040
1,662	-	102	-	2,344
-	-	-	-	10,195
<u>59,351</u>	<u>5,200</u>	<u>46,916</u>	<u>-</u>	<u>531,848</u>
-	-	15,677	-	15,677
-	-	1,379	-	2,108
-	-	-	-	748,508
69,593	474	-	-	70,067
-	-	-	-	39,300
<u>69,593</u>	<u>474</u>	<u>17,056</u>	<u>-</u>	<u>875,660</u>
<u>(10,242)</u>	<u>4,726</u>	<u>29,860</u>	<u>-</u>	<u>(343,812)</u>
-	-	-	-	577,552
-	-	(35,000)	-	(98,018)
-	-	(35,000)	-	479,534
(10,242)	4,726	(5,140)	-	135,722
<u>219,722</u>	<u>51,349</u>	<u>152,414</u>	<u>1,642</u>	<u>1,074,410</u>
<u>\$ 209,480</u>	<u>\$ 56,075</u>	<u>\$ 147,274</u>	<u>\$ 1,642</u>	<u>\$ 1,210,132</u>

NONMAJOR DEBT SERVICE FUND

Refunding Bonds Series 2011

To accumulate monies for payment of the \$5,780,000 Refunding Bonds, Series 2011. Debt service is financed by transfers from various funds.

CITY OF CROWLEY, LOUISIANA
Nonmajor Debt Service Fund
Refunding Bonds Series 2011 Fund

Balance Sheet
August 31, 2020

ASSETS

Cash and interest-bearing deposits	<u>\$ 346,981</u>
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LIABILITIES AND FUND BALANCE

Liabilities	\$ -
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Fund balance:	
Restricted	<u>346,981</u>

Total liabilities and fund balance	<u>\$ 346,981</u>
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CITY OF CROWLEY, LOUISIANA
 Nonmajor Debt Service Fund
 Refunding Bonds Series 2011 Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended August 31, 2020

Revenues		
Investment income		<u>\$ 1,632</u>
Expenditures:		
Current -		
General government		742
Debt service -		
Principal retirement		305,000
Interest and fiscal charges		<u>151,042</u>
Total expenditures		<u>456,784</u>
Deficiency of revenues over expenditures		(455,152)
Other financing sources:		
Transfers in		<u>457,210</u>
Net change in fund balance		2,058
Fund balance, beginning		<u>344,923</u>
Fund balance, ending		<u>\$ 346,981</u>

INTERNAL SERVICE FUNDS

Workman's Compensation Fund

To account for the accumulation of funds designated for payment of liability insurance premiums, costs of the risk management department, and satisfaction of claims made against the City.

Employee Benefit Plan Fund

To account for the accumulation of funds from self-insurance sources and from employees. Funds are also dedicated to the payment of health insurance premiums, and the satisfaction of health care claims incurred by employees and their dependents.

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Net Position
August 31, 2020

	<u>Workman's Compensation Fund</u>	<u>Employee Benefit Plan Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 228,726	\$ 105,700	\$ 334,426
Accrued interest receivable	130	-	130
Due from other funds	<u>-</u>	<u>2,073</u>	<u>2,073</u>
Total assets	228,856	107,773	336,629
LIABILITIES			
Current liabilities:			
Claims payable	31,405	205,897	237,302
Due to other funds	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total liabilities	<u>81,405</u>	<u>205,897</u>	<u>287,302</u>
NET POSITION			
Unrestricted	<u>\$ 147,451</u>	<u>\$ (98,124)</u>	<u>\$ 49,327</u>

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended August 31, 2020

	<u>Workman's Compensation Fund</u>	<u>Employee Health Insurance Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 311,797	\$ 1,224,152	\$ 1,535,949
Miscellaneous	<u>102</u>	<u>974,151</u>	<u>974,253</u>
Total operating revenues	<u>311,899</u>	<u>2,198,303</u>	<u>2,510,202</u>
 Operating expenses:			
Insurance premiums	95,959	309,307	405,266
Claims	211,775	2,273,170	2,484,945
Loss time	96,603	-	96,603
Professional services	44,960	5,103	50,063
Miscellaneous	<u>55,349</u>	<u>89,999</u>	<u>145,348</u>
Total operating expenses	<u>504,646</u>	<u>2,677,579</u>	<u>3,182,225</u>
 Operating loss	(192,747)	(479,276)	(672,023)
 Nonoperating revenues:			
Investment income	<u>1,263</u>	<u>1</u>	<u>1,264</u>
 Loss before transfers	(191,484)	(479,275)	(670,759)
 Transfers in	<u>-</u>	<u>428,408</u>	<u>428,408</u>
 Change in net position	(191,484)	(50,867)	(242,351)
 Net position, beginning	<u>338,935</u>	<u>(47,257)</u>	<u>291,678</u>
 Net position, ending	<u>\$ 147,451</u>	<u>\$ (98,124)</u>	<u>\$ 49,327</u>

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended August 31, 2020

	<u>Workman's Compensation Fund</u>	<u>Employee Benefit Plan Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from insured	\$ -	\$ 291,371	\$ 291,371
Receipts from interfund services provided	311,797	932,781	1,244,578
Payments to suppliers	(196,268)	(404,409)	(600,677)
Payments for claims and loss time	(301,889)	(2,238,436)	(2,540,325)
Other receipts	<u>111</u>	<u>974,151</u>	<u>974,262</u>
Net cash used by operating activities	<u>(186,249)</u>	<u>(444,542)</u>	<u>(630,791)</u>
Cash flows from noncapital financing activities:			
Cash paid to other funds	302	(2,073)	(1,771)
Cash received from other funds	50,302	-	50,302
Transfers in from other funds	<u>-</u>	<u>428,408</u>	<u>428,408</u>
Net cash provided by noncapital financing activities	<u>50,604</u>	<u>426,335</u>	<u>476,939</u>
Cash flows from investing activities:			
Purchase of interest-bearing deposits with maturity in excess of ninety days	(233,926)	-	(233,926)
Proceeds of interest-bearing deposits with maturity in excess of ninety days	232,360	-	232,360
Investment income	<u>1,263</u>	<u>1</u>	<u>1,264</u>
Net cash used by investing activities	<u>(303)</u>	<u>1</u>	<u>(302)</u>
Net increase in cash and cash equivalents	(135,948)	(18,206)	(154,154)
Cash and cash equivalents, beginning	<u>131,059</u>	<u>123,906</u>	<u>254,965</u>
Cash and cash equivalents, ending	<u>\$ (4,889)</u>	<u>\$ 105,700</u>	<u>\$ 100,811</u>

(continued)

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Cash Flows (Continued)
For the Year Ended August 31, 2020

	Workman's Compensation Fund	Employee Benefit Plan Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (192,747)	\$ (479,276)	\$ (672,023)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities -			
Increase (decrease) current liabilities			
Claims payable	6,498	34,734	41,232
Net cash used by operating activities	\$ (186,249)	\$ (444,542)	\$ (630,791)
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:			
Cash and cash equivalents, beginning of period -			
Cash and interest-bearing deposits - unrestricted	\$ 363,419	\$ 123,906	\$ 487,325
Less: Interest-bearing deposits with maturity in excess of 90 days	(232,360)	-	(232,360)
Total cash and cash equivalents	131,059	123,906	254,965
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	228,726	105,700	334,426
Less: Interest-bearing deposits with maturity in excess of 90 days	(233,615)	-	(233,615)
Total cash and cash equivalents	(4,889)	105,700	100,811
Net decrease	\$ (135,948)	\$ (18,206)	\$ (154,154)

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

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Tim Monceaux, Mayor
and Members of the City Council
City of Crowley, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information 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 City of Crowley, Louisiana's basic financial statements and have issued our report thereon dated February 18, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2020-001 through 2020-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Crowley, Louisiana's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2020-004 and 2020-005.

City of Crowley's Response to Finding

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

Purpose of this Report

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
February 18, 2021

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended August 31, 2020

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

A. Internal Control Over Financial Reporting

2020-001 Financial Records/Reconciliations

Fiscal year finding initially occurred: 2018

CONDITION: The City of Crowley failed to adequately reconcile bank statements at year end.

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The City's internal controls over financial reporting include those policies and procedures that pertain to the City's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

CAUSE: The cause of the condition was due to failure to adequately address outstanding/reconciling items on bank statements.

EFFECT: Failure to accurately reconcile accounts increases the risk that unrecorded and uncorrected items may go undetected and the City may not be able to determine actual cash balances, or if proper funding is available to pay vendors and/or monthly bills.

RECOMMENDATIONS: We recommend that the City implement internal controls to ensure that bank accounts are reconciled accurately and timely. Additionally, we recommend that the City properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City of Crowley has contracted with a Certified Public Accountant (CPA) consultant to assist employees and review reconciliations on an as needed basis.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2020

2020-002 Sewer Fund operations

Fiscal year finding initially occurred: 2020

CONDITION: The City did not adjust sewer user fees to adequately cover the cost of operations of the Sewer Fund.

CRITERIA: Sound business practices recommend that policies be in place and enforced to provide adequate fees to cover the operating cost of an Enterprise fund. The City adopted, an ordinance that obligates itself to fix, establish, maintain, levy and collect such rates, fees, rents or other charges for services and facilities of the System and all parts thereof and to revise the same from time to time whenever necessary to always provide user fees in each fiscal year sufficient to cover the costs of operation, maintenance, and replacement; to pay debt services and administrative fee on the bonds and any parity obligations and make all required deposits to the funds and accounts.

CAUSE: The City failed to take all steps necessary to adjust sewer user fees sufficient to cover the cost of operations of the Sewer Fund.

EFFECT: Failure to adjust sewer user fees could result in the City not having resources to pay current expenses, replacement costs or debt service requirements.

RECOMMENDATION: We recommend that the City implement procedures to ensure that sewer user fees are reviewed and adjusted at least annually to cover the cost of operations of the Sewer Fund.

MANAGEMENT'S CORRECTIVE ACTION PLAN: An ordinance was established, and a review committee was formed, which consisted of the City Engineer, City Auditor, City Attorney, City Clerk, Utility Chairperson, Finance Chairperson, and a Crowley Citizen. The Council was notified of the deficit and chose to vote an increase not sufficient to what the committee recommended. There is no corrective action to be taken by management due to council action being necessary.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2020

2020-003 Unauthorized execution of equipment contract

Fiscal year finding initially occurred: 2020

CONDITION: Chief of Police may have violated the Lawrason Act and the City of Crowley's policies when he signed and entered into a contract for the purchase of equipment without council and mayor approval.

CRITERIA: R.S. 33:404(A)(4) and the Lawrason Act gives the mayor the authority to sign all contracts on behalf of the municipality once expenditures are approved by the council.

CAUSE: It was noted that the Chief of Police entered into a contract for purchase of equipment for which no appropriation or council approval was obtained.

EFFECT: Not obtaining proper approval and execution of a contract could lead to misuse of City funds and over-expenditure of police department budget.

RECOMMENDATION: We recommend that the Chief of Police follow the Lawrason Act and the City's policies and procedures and obtain Council approval for all appropriations and changes to police department budget.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Once administration received the invoice, the Chief was questioned on the validity of the contract and it was determined that this was not a valid contract according to the Lawrason Act. The issue was then turned over to legal. Police Chief Jimmy Broussard responded, he was new to his position at the time and mistakenly signed the contract in error. He has since come to know properly how this is done. Chief Broussard will make sure that all contracts are forwarded to City Hall for the Mayor's signature.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2020

B. Compliance

2020-004 Budget noncompliance

Fiscal year finding initially occurred: 2020

CONDITION: Expenditures of the Sales Tax Fund and the 2012 Sales Tax – Infrastructure Improvement Fund exceeded budgeted expenditures by more than 5%. In addition, the proposed budget for fiscal year ending August 31, 2021 was not adopted timely.

CRITERIA: LSA-RS 39:1311 et seq. Budgetary Authority and Control, provides for the following:

"A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures.

The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

(1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent.

(2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

(3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

LSA-RS 39:1309 (A) Adoption states "All action necessary to adopt and otherwise finalize and implement the budget for a fiscal year, including the adoption of any amendments to the proposed, shall be taken in open meeting and completed before the end of the prior fiscal year."

CAUSE: The condition is a result of council's failure to timely adopt the 2020 amendments and the 2021 budget presented for adoption in accordance with state law.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2020

EFFECT: The City may not prevent and/or detect compliance violations due to over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to comply with state statute. In addition, the Council should make every effort possible to timely adopt a proposed budget in accordance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management began the proper steps for budget amendments and presenting a balanced budget including all advertisements. The first budget was denied, and a revised budget was presented and denied again. Approvals of appropriations for payments were given by the council, but the budget amendments were still denied by council.

2020-005 Debt covenant noncompliance

Fiscal year finding initially occurred: 2020

CONDITION: Sewer user fees are not adequate to satisfy the requirements of the bond covenants.

CRITERIA: Section 8.03 of Series 2013 bond covenants states that "The City will enact, maintain and enforce an ordinance or resolution imposing User Fees and will enact, maintain and enforce a utilities use ordinance or resolution or similar proceeding that satisfies the requirements of all applicable regulations. So long as the Bonds are outstanding, the City through its Governing Authority obligates itself to fix, establish, maintain, levy and collect such rates, fees, rents or other charges for services and facilities of the System and all parts thereof and to revise the same from time to time whenever necessary to always provide User Fees in each Fiscal Year sufficient to meet all requirements of the Authorizing Ordinance and at least to" cover the costs of operation, maintenance, and replacement; to pay debt services and administrative fee on the bonds and any parity obligations and make all required deposits to the funds and accounts; and to meet any coverage ratio requirement set forth in the authorizing ordinance.

CAUSE: The City failed to take steps necessary to adjust sewer user fees sufficient to satisfy requirements.

EFFECT: The City did not comply with the provisions of the debt covenants.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2020

RECOMMENDATION: We recommend that the City implement procedures to ensure that sewer user fees are reviewed at least annually to determine the adequacy of the sewer user fees to satisfy the requirements of the debt covenants.

MANAGEMENT'S CORRECTIVE ACTION PLAN: An ordinance was established, and a review committee was formed, which consisted of the City Engineer, City Auditor, City Attorney, City Clerk, Utility Chairperson, Finance Chairperson, and a Crowley Citizen. The Council was notified of the deficit and chose to vote an increase not sufficient to what the committee recommended. There is no corrective action to be taken by management due to council action being necessary.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The City does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Resolved.

2019-002 Financial Records/Reconciliation

CONDITION: The City of Crowley failed to adequately reconcile interfund transactions and bank statements at year end.

RECOMMENDATION: We recommend that the City implement internal controls to ensure that these accounts are reconciled and agreed to the general ledger on a periodic basis. Additionally, we recommend that the City properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

CURRENT STATUS: Partially resolved. See item 2020-001.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2020

B. Compliance

2019-003 Budget noncompliance

CONDITION: Expenditures of the General Fund exceeded budgeted expenditures by more than 5% and the revenues of the One-Half Cent Sales Tax – Salary Fund fell short of budgeted revenues by more than 5%.

RECOMMENDATION: The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to comply with state statute.

CURRENT STATUS: Partially resolved. See item 2020-004.

2019-004 Debt covenant noncompliance

CONDITION: The City did not make the November 2018 sinking fund payment required for the Sewer Revenue Refunding Bonds, Series 2012 and the City also made a late payment on the Sewer Revenue Refunding Bond, Series 2012 and the Wastewater Revenue Bonds, Series 2013.

RECOMMENDATION: Management should ensure that all monthly sinking fund payments are made timely.

CURRENT STATUS: Resolved.

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TIMOTHY "TIM" MONCEAUX
MAYOR

The City of Crowley, Louisiana respectfully submits the following corrective action plan for the year ended August 31, 2020.

STEVEN PREMEAUX
ALDERMAN-AT-LARGE
MAYOR PRO-TEM

Audit conducted by:
Kolder, Slaven & Company, LLC
200 South Main Street
Abbeville, LA 70510

Audit Period: Fiscal year ended August 31, 2020

COUNCIL MEMBERS

The findings from the August 31, 2020 schedule of current and prior year audit findings and management's corrective action plan are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

JEFF CAVELL
WARD I/DIV. A

FINDINGS -FINANCIAL AUDIT

KIM STRINGFELLOW
WARD I/DIV. B

Material Weaknesses

THOMPSON BRADFORD CORE
WARD II/DIV. A

2020-001 Financial Records/Reconciliations

LYLE FOGLEMAN, Jr.
WARD II/DIV. B

RECOMMENDATION: We recommend that the City implement internal controls to ensure that bank accounts are reconciled accurately and timely. Additionally, we recommend that the City properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

VERNON MARTIN
WARD III/DIV. A

CORRECTIVE ACTION PLAN: The City of Crowley contracted with a Certified Public Accountant (CPA) consultant to assist employees and review reconciliations on a needed basis.

BYRON K. WILRIDGE, SR.
WARD III/DIV. B

2020-002 Sewer Fund operations

CLINT CRADEUR
WARD IV/DIV. A

RECOMMENDATION: We recommend that the City implement procedures to ensure that sewer user fees are reviewed and adjusted at least annually to cover the cost of operations of the Sewer Fund.

SAMUEL J. REGGIE, III
WARD IV/DIV. B

CORRECTIVE ACTION PLAN:
An ordinance was established, and a review committee was formed which consisted of the City Engineer, City Auditor, City Attorney, City Clerk, Utility Chairperson, Finance Chairperson, and a Crowley Citizen. The Council was notified of the deficit and chose

to vote an increase not sufficient to what the committee recommended. There is no corrective action to be taken by management due to council action being necessary.

2020-003 Unauthorized execution of equipment contract

RECOMMENDATION: We recommend that the Chief of Police follow the Lawrason Act and the City's policies and procedures and obtain Council approval for all appropriations and changes to police department budget.

CORRECTIVE ACTION PLAN:
Once administration received the invoice, the Chief was questioned on the validity of the contract and it was determined that this was not a valid contract according to the Lawrason Act. The issue was then turned over to legal.

Please see response in separate letter from Chief of Police.

Compliance

2020-004 Budget noncompliance

RECOMMENDATION: The City should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to comply with state statute. In addition, the Council should make every effort possible to timely adopt a proposed budget in accordance with state statute.

CORRECTIVE ACTION PLAN:
Management began the proper steps for budget amendments and presenting a balanced budget including all advertisements. The first budget was denied, and a revised budget was presented and denied again. Approvals of appropriations for payments were given by council and the budget amendments were denied by council.

2020-005 Debt covenant noncompliance

RECOMMENDATION: We recommend that the City implement procedures to ensure that sewer user fees are reviewed at least annually to determine the adequacy of the sewer user fees to satisfy the requirements of the debt covenants.

CORRECTIVE ACTION PLAN:
An ordinance was established, and a review committee was formed which consisted of the City Engineer, City Auditor, City Attorney, City Clerk, Utility Chairperson, Finance Chairperson, and a Crowley Citizen. The Council was notified of the deficit and chose to vote an increase not sufficient to what the committee recommended. There is no corrective action to be taken by management due to council action being necessary.

If there are questions regarding this plan, please call Mayor Tim Monceaux at 337-788-4100.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Monceaux". The signature is fluid and cursive, with a large initial "T" and "M".

Tim Monceaux
Mayor



Crowley Police Department

JIMMY BROUSSARD
CHIEF OF POLICE
POST OFFICE BOX 436
CROWLEY, LOUISIANA 70527-0436
337-788-4114

February 10, 2021

Ms. Christine Trahan
Kolder, Slaven & Company, LLC
P.O. Box 1055
Abbeville, LA 70511
(via email: christinet@kcsrccpas.com)

Dear Ms. Trahan:

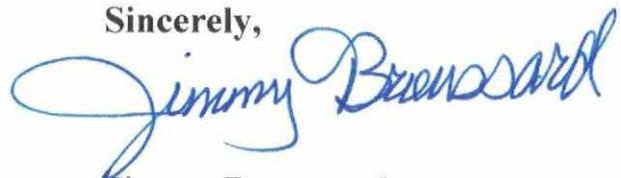
This will acknowledge receipt of your email sent to me regarding the latest audit.

With regards to the purchase of the body cameras, when I did this, I was still new to my position and mistakenly signed the contract in error. I have since come to know properly how this is done. So my corrective action is making sure that all contracts are forwarded to City Hall for the Mayor's signature.

With regards to the charges on TransUnion, I have checked on these, and all were for training and/or law enforcement sensitive matters. I have reminded my detectives, as they are the ones who normally use it, to be careful and vigilant in their searches. In addition, I have removed non-commissioned personnel from this list so as not to cause possible violation of an investigation.

I trust that this will be an appropriate answer to the two situations. Should you need anything further, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Broussard". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jimmy Broussard

JB/sc

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

P.O. Box 1055
Abbeville, LA 70511

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Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

MANAGEMENT LETTER

Honorable Tim Monceaux, Mayor
Jimmy Broussard, Chief of Police
And City Council Members of
City of Crowley
P.O. Box 1463
Crowley, LA 70527

During our audit of the basic financial statements of the City of Crowley, Louisiana for the year ended August 31, 2020, we noted the following area in which internal controls and processes could be improved.

1. It was noted that police department employees may have utilized TransUnion Service searches for information on themselves, family members, other police officers and individuals, including public officials. The City is billed for this service, which could lead to expenditure of public funds for unauthorized purposes. Access to this site should be limited to licensees for legally obtainable information for legitimate law enforcement investigations, background checks for licenses of various types, employment verification and financial history related to employment applications and other such legitimate purposes under the membership license. We recommend that the Police Department restrict access to only officers/employees who have direct responsibility to make inquiries for law enforcement purposes under the terms of the licensing agreement with TransUnion to avoid any question of violations of statutory provisions, privacy laws, and policies.
2. It was noted that the City has ordinances addressing the specifications for any culvert installation, permits, inspections and enforcement. In accordance, with the ordinances, citizens make request for culvert installations and obtain all necessary permits, provides all materials, including cost of frame and grate. When involving City right of ways, City employees provide labor for the installation.

The City's ordinance does not provide for the installation of culverts on City right of ways vs private property nor does it provide for a Cooperative Endeavor Agreement (CEA) or "contract" with the citizen, as noted by LSA RS 33:4884. We recommend that the City should update and/or draft a new ordinance addressing who the

responsible party is for installation of culverts on City right of ways vs private property and who bears the cost as well as providing for a CEA or contract with the citizen as noted by LSA RS 33:4884.

We would like to express our appreciation to you and your staff for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
February 18, 2021



TIMOTHY "TIM" MONCEAUX
MAYOR

STEVEN PREMEAUX
ALDERMAN-AT-LARGE
MAYOR PRO-TEM

COUNCIL MEMBERS

JEFF CAVELL
WARD I/DIV. A

KIM STRINGFELLOW
WARD I/DIV. B

THOMPSON BRADFORD CORE
WARD II/DIV. A

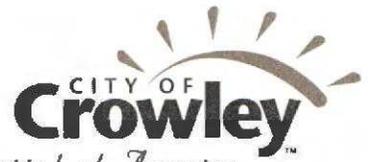
LYLE FOGLEMAN, Jr.
WARD II/DIV. B

VERNON MARTIN
WARD III/DIV. A

BYRON K. WILRIDGE, SR.
WARD III/DIV. B

CLINT CRADEUR
WARD IV/DIV. A

SAMUEL J. REGGIE, III
WARD IV/DIV. B



The Rice Capital of America.

The City of Crowley, Louisiana respectfully submits the following corrective action plan for the year ended August 31, 2020.

Audit conducted by:
Kolder, Slaven & Company, LLC
200 South Main Street
Abbeville, LA 70510

Audit Period: Fiscal year ended August 31, 2020

The management letter item, as it pertains to the City ordinances for culvert installation, for the year ended August 31, 2020 and management's corrective action plan is discussed below.

FINDINGS -FINANCIAL AUDIT – MANAGEMENT LETTER ITEM

Installation of culverts

RECOMMENDATION: We recommend that the City should update and/or draft a new ordinance addressing who the responsible party is for installation of culverts on City right of ways vs private property and who bears the cost as well as providing for a Cooperative Endeavor Agreement (CEA) or contract with the citizen as noted by LSA RS 33:4884.

CORRECTIVE ACTION PLAN:

Management has taken the steps to correct the action and updating the ordinance. An ordinance will be introduced at the February Council meeting and a public hearing will be held and the ordinance will be voted on at the March council meeting.

If there are questions regarding this plan, please call Mayor Tim Monceaux at 337-788-4100.

Sincerely,

Tim Monceaux
Mayor

P. O. Box 1463 • Crowley, Louisiana 70527-1463 • 337-783-0824 • TDD 337-788-4103 • www.crowley-la.com

AN EQUAL OPPORTUNITY EMPLOYER



Crowley Police Department

JIMMY BROUSSARD

CHIEF OF POLICE

POST OFFICE BOX 436

CROWLEY, LOUISIANA 70527-0436

337-788-4114

February 10, 2021

Ms. Christine Trahan
Kolder, Slaven & Company, LLC
P.O. Box 1055
Abbeville, LA 70511
(via email: christinet@kcsrccpas.com)

Dear Ms. Trahan:

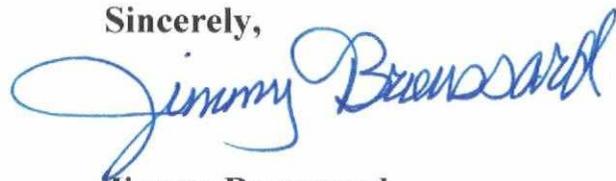
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Jimmy Broussard

JB/sc