

CITY OF CROWLEY, LOUISIANA

Financial Report

For the Year Ended August 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Crowley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Crowley's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Crowley's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

The City of Crowley 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.

Supplementary 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 schedule of compensation, benefits, and other payments to agency head, the schedule of compensation paid to council members, and the justice system funding schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the budgetary comparison schedules, the combining balance sheets, the combining statements of revenues, expenditures, and changes in fund balances, the combining statement of net position, the combining statement of revenues, expenditures, and changes in fund net position, and the combining statement of cash flows, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2023 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
August 16, 2023

BASIC FINANCIAL STATEMENTS

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

CITY OF CROWLEY, LOUISIANA

Statement of Net Position

August 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 21,559,643	\$ 2,133,924	\$ 23,693,567
Investments	4,413,598	-	4,413,598
Receivables, net	1,634,303	190,342	1,824,645
Due from other governmental units	236,237	-	236,237
Internal balances	722,378	(722,378)	-
Restricted assets:			
Interest-bearing deposits	27,224	1,260,733	1,287,957
Capital assets			
Non-depreciable	11,102,542	411,587	11,514,129
Depreciable, net	<u>19,012,258</u>	<u>9,575,593</u>	<u>28,587,851</u>
 Total assets	 <u>58,708,183</u>	 <u>12,849,801</u>	 <u>71,557,984</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	3,510,583	144,973	3,655,556
Deferred outflows of resources - OPEB	<u>599,877</u>	<u>33,626</u>	<u>633,503</u>
Total deferred outflows of resources	<u>4,110,460</u>	<u>178,599</u>	<u>4,289,059</u>

(continued)

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

CITY OF CROWLEY, LOUISIANA

Statement of Net Position (Continued)

August 31, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts, salaries and other payables	\$ 682,075	\$ 43,945	\$ 726,020
Contracts payable	545,290	-	545,290
Retainage payable	343,453	-	343,453
Claims payable	51,915	-	51,915
Due to others	35,337	-	35,337
Accrued interest payable	368,191	19,717	387,908
Long-term liabilities			
Other post employment benefits payable	1,550,983	86,941	1,637,924
Net pension liability	12,110,633	597,712	12,708,345
Due within one year	1,167,044	314,000	1,481,044
Due in more than one year	<u>23,766,828</u>	<u>2,124,389</u>	<u>25,891,217</u>
Total liabilities	<u>40,621,749</u>	<u>3,186,704</u>	<u>43,808,453</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	687,324	2,289	689,613
Other post employment benefits	321,879	18,043	339,922
Deferred revenues	<u>2,331,643</u>	<u>-</u>	<u>2,331,643</u>
Total deferred inflows of resources	<u>3,340,846</u>	<u>20,332</u>	<u>3,361,178</u>
NET POSITION			
Net investment in capital assets	5,294,587	7,548,791	12,843,378
Restricted for:			
Debt service	904,181	1,241,016	2,145,197
Sales tax dedications	12,107,766	-	12,107,766
Unrestricted	<u>549,514</u>	<u>1,031,557</u>	<u>1,581,071</u>
Total net position	<u>\$ 18,856,048</u>	<u>\$ 9,821,364</u>	<u>\$ 28,677,412</u>

CITY OF CROWLEY, LOUISIANA

Statement of Activities
For the Year Ended August 31, 2022

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	\$ 2,559,896	\$ 883,363	\$ -	\$ -	\$ (1,676,533)	\$ -	\$ (1,676,533)
Public safety	7,814,740	211,984	519,840	205,988	(6,876,928)	-	(6,876,928)
Public works	2,319,472	-	-	230,010	(2,089,462)	-	(2,089,462)
Economic development	108,316	-	-	-	(108,316)	-	(108,316)
Culture and recreation	1,956,632	489,297	62,042	-	(1,405,293)	-	(1,405,293)
Cemetery	17,474	9,025	-	-	(8,449)	-	(8,449)
Interest on long-term debt	920,251	-	-	-	(920,251)	-	(920,251)
Total governmental activities	15,696,781	1,593,669	581,882	435,998	(13,085,232)	-	(13,085,232)
Business-type activities:							
Sewer	2,183,314	2,127,421	15,560	805,959	-	765,626	765,626
Total	17,880,095	3,721,090	597,442	1,241,957	(13,085,232)	765,626	(12,319,606)

CITY OF CROWLEY, LOUISIANA

Statement of Activities (Continued)
For the Year Ended August 31, 2022

General revenues:			
Taxes -			
Property taxes	2,142,519	277,339	2,419,858
Sales and use taxes	9,285,375	-	9,285,375
Franchise taxes	1,028,234	-	1,028,234
2% Fire insurance proceeds	92,642	-	92,642
Grants and contributions not restricted to specific programs -			
State sources	593,800	-	593,800
Interest and investment earnings	(384,825)	872	(383,953)
Miscellaneous	338,863	680	339,543
Nonemployer pension contribution	324,953	10,249	335,202
Loss on disposal of capital assets	(32,516)	(6,456)	(38,972)
Transfers	(13,343)	13,343	-
Total general revenues and transfers	<u>13,385,702</u>	<u>296,027</u>	<u>13,681,729</u>
Change in net position	300,470	1,061,653	1,362,123
Net position - beginning	<u>18,555,578</u>	<u>8,759,711</u>	<u>27,315,289</u>
Net position - ending	<u>\$ 18,856,048</u>	<u>\$ 9,821,364</u>	<u>\$ 28,677,412</u>

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

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FUND FINANCIAL STATEMENTS (FFS)

CITY OF CROWLEY, LOUISIANA

Balance Sheet
Governmental Funds
August 31, 2022

	General Fund	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and interest-bearing deposits	\$4,245,210	\$ 1,077,502	\$ 655,650
Investments	468,612	-	-
Receivables:			
Taxes receivable	241,215	835,796	278,598
Accrued interest receivable	-	-	-
Due from other funds	757,295	-	1,216,285
Due from other governmental units	<u>100,178</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$5,812,510</u>	<u>\$ 1,913,298</u>	<u>\$2,150,533</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 156,919	\$ -	\$ -
Accrued liabilities	359,979	-	-
Contract payable	-	-	-
Retainage payable	-	-	-
Due to other funds	-	1,743,522	-
Due to others	<u>35,337</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>552,235</u>	<u>1,743,522</u>	<u>-</u>
Deferred inflows of resources:			
Deferred revenues - grants	<u>2,331,643</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	-	169,776	2,150,533
Assigned	65,907	-	-
Unassigned	<u>2,862,725</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,928,632</u>	<u>169,776</u>	<u>2,150,533</u>
Total liabilities and fund balances	<u>\$5,812,510</u>	<u>\$ 1,913,298</u>	<u>\$2,150,533</u>

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

2012 Sales Tax - Infrastructure Improvement Fund	Capital Projects Fund	Refunding Bond Series 2021 Fund	Other Governmental Funds	Totals
\$ 4,949,185	\$ 7,437,642	\$ 318,268	\$ 2,388,053	\$21,071,510
3,944,986	-	-	-	4,413,598
278,598	-	-	-	1,634,207
-	-	-	96	96
614,688	-	-	14,029	2,602,297
-	-	-	136,059	236,237
<u>\$ 9,787,457</u>	<u>\$ 7,437,642</u>	<u>\$ 318,268</u>	<u>\$ 2,538,237</u>	<u>\$29,957,945</u>
\$ -	\$ 32,217	\$ -	\$ 61,712	\$ 250,848
-	-	-	38,170	398,149
-	445,531	-	99,759	545,290
-	338,202	-	5,251	343,453
-	-	-	86,397	1,829,919
-	-	-	-	35,337
<u>-</u>	<u>815,950</u>	<u>-</u>	<u>291,289</u>	<u>3,402,996</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,331,643</u>
9,787,457	-	318,268	1,972,725	14,398,759
-	6,621,692	-	348,324	7,035,923
-	-	-	(74,101)	2,788,624
<u>9,787,457</u>	<u>6,621,692</u>	<u>318,268</u>	<u>2,246,948</u>	<u>24,223,306</u>
<u>\$ 9,787,457</u>	<u>\$ 7,437,642</u>	<u>\$ 318,268</u>	<u>\$ 2,538,237</u>	<u>\$29,957,945</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, 2022

Total fund balances for governmental funds		\$24,223,306
Capital assets, net		30,114,800
Long-term liabilities:		
Bonds payable	\$ (22,270,000)	
Premium on bond issuance	(2,663,872)	
OPEB obligation payable	(1,550,983)	
Net pension liability	(12,110,633)	
Accrued interest payable	<u>(368,191)</u>	(38,963,679)
Deferred outflows of resources related to net pension liability		3,510,583
Deferred inflows of resources related to net pension liability		(687,324)
Deferred outflows of resources related to total OPEB liability		599,877
Deferred inflows of resources related to total OPEB liability		(321,879)
Net position of the Internal Service Funds		<u>380,364</u>
Total net position of governmental activities		<u>\$18,856,048</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, 2022

	General Fund	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund
Revenues:			
Taxes	\$ 2,803,125	\$5,458,035	\$ 1,878,345
Licenses and permits	773,496	-	-
Intergovernmental	1,387,270	-	-
Charges for services	68,566	-	-
Fines and fees	209,959	-	-
Investment income	16,966	778	2,068
Net increase (decrease) in fair value of investments	(57,515)	-	-
Miscellaneous	289,780	-	-
Total revenues	<u>5,491,647</u>	<u>5,458,813</u>	<u>1,880,413</u>
Expenditures:			
Current -			
General government	2,031,336	108,239	42,282
Public safety	6,918,642	-	-
Public works	1,769,155	-	-
Economic development	100,142	-	-
Culture and recreation	-	-	-
Cemetery	-	-	-
Capital outlay	95,869	-	-
Debt service -			
Principal retirement	171,254	-	-
Interest and fiscal charges	2,564	-	-
Total expenditures	<u>11,088,962</u>	<u>108,239</u>	<u>42,282</u>
Excess (deficiency) of revenues over expenditures	<u>(5,597,315)</u>	<u>5,350,574</u>	<u>1,838,131</u>
Other financing sources (uses):			
Proceeds from bond issuance	-	-	-
Premium on bond issuance	-	-	-
Transfers in	7,333,553	12,545	-
Transfers out	(759,125)	(6,216,788)	(1,526,696)
Total other financing sources (uses)	<u>6,574,428</u>	<u>(6,204,243)</u>	<u>(1,526,696)</u>
Net changes in fund balances	977,113	(853,669)	311,435
Fund balances, beginning	<u>1,951,519</u>	<u>1,023,445</u>	<u>1,839,098</u>
Fund balances, ending	<u>\$ 2,928,632</u>	<u>\$ 169,776</u>	<u>\$ 2,150,533</u>

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

2012 Sales Tax Infrastructure Improvement Fund	Capital Projects Fund	Refunding Bond Series 2021 Fund	Other Governmental Funds	Totals
\$ 1,878,345	\$ -	\$ -	\$ 448,278	\$ 12,466,128
-	-	-	-	773,496
-	-	-	317,052	1,704,322
-	-	-	541,648	610,214
-	-	-	-	209,959
120,528	23,514	487	4,728	169,069
(496,555)	-	-	-	(554,070)
-	-	10	50,577	340,367
<u>1,502,318</u>	<u>23,514</u>	<u>497</u>	<u>1,362,283</u>	<u>15,719,485</u>
46,634	-	-	48,788	2,277,279
-	-	-	-	6,918,642
-	-	-	-	1,769,155
-	-	-	100	100,242
-	-	-	1,774,078	1,774,078
-	-	-	17,474	17,474
-	10,234,569	-	148,261	10,478,699
-	-	3,035,000	330,000	3,536,254
-	138,366	233,931	546,750	921,611
<u>46,634</u>	<u>10,372,935</u>	<u>3,268,931</u>	<u>2,865,451</u>	<u>27,793,434</u>
<u>1,455,684</u>	<u>(10,349,421)</u>	<u>(3,268,434)</u>	<u>(1,503,168)</u>	<u>(12,073,949)</u>
-	6,000,000	2,600,000	-	8,600,000
-	649,626	254,276	-	903,902
-	-	388,016	2,199,571	9,933,685
<u>(1,577,581)</u>	<u>(14,450)</u>	<u>-</u>	<u>(191,357)</u>	<u>(10,285,997)</u>
<u>(1,577,581)</u>	<u>6,635,176</u>	<u>3,242,292</u>	<u>2,008,214</u>	<u>9,151,590</u>
(121,897)	(3,714,245)	(26,142)	505,046	(2,922,359)
<u>9,909,354</u>	<u>10,335,937</u>	<u>344,410</u>	<u>1,741,902</u>	<u>27,145,665</u>
<u>\$ 9,787,457</u>	<u>\$ 6,621,692</u>	<u>\$ 318,268</u>	<u>\$ 2,246,948</u>	<u>\$ 24,223,306</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, 2022

Change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (2,922,359)
Capital assets:		
Capital outlay	\$ 10,439,382	
Depreciation expense	<u>(1,142,195)</u>	9,297,187
Transactions involving capital assets:		
Proceeds on disposal of assets	(1,500)	
Gain on disposal	<u>(32,516)</u>	(34,016)
Long-term debt:		
Principal payments	3,536,254	
Proceeds from debt issuance	(8,600,000)	
Premiums paid on debt issuance	(903,902)	
Amortization of bond premium	<u>97,777</u>	(5,869,871)
Net revenue (expense) of the Internal Service Fund		(37,699)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		(96,417)
Effect of the change in net pension liability, total OPEB liability, and related deferred outflows/inflows of resources:		
Change in pension expense	(315,558)	
Nonemployer pension contribution revenue recognized	324,953	
Net effect of OPEB adjustments	<u>(45,750)</u>	<u>(36,355)</u>
Change in net position per Statement of Activities		<u>\$ 300,470</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, 2022

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,133,924	\$ 515,357
Receivables:		
Accounts	190,342	-
Due from other funds	-	41,985
Total current assets	<u>2,324,266</u>	<u>557,342</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	1,260,733	-
Capital assets, net of accumulated depreciation	<u>9,987,180</u>	<u>-</u>
Total noncurrent assets	<u>11,247,913</u>	<u>-</u>
Total assets	<u>13,572,179</u>	<u>557,342</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pensions	144,973	-
Deferred outflows of resources - OPEB	<u>33,626</u>	<u>-</u>
Total deferred outflows of resources	<u>178,599</u>	<u>-</u>

(continued)

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
Statement of Net Position (Continued)
August 31, 2022

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 26,649	\$ 33,078
Due to other funds	722,378	91,985
Claims payable	-	51,915
Accrued liabilities	17,296	-
Payable from restricted assets -		
Bonds payable	314,000	-
Accrued interest	19,717	-
Total current liabilities	<u>1,100,040</u>	<u>176,978</u>
Noncurrent liabilities:		
Bonds payable	2,124,389	-
OPEB obligation payable	86,941	-
Net pension liability	597,712	-
Total noncurrent liabilities	<u>2,809,042</u>	<u>-</u>
Total liabilities	<u>3,909,082</u>	<u>176,978</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pensions	2,289	-
Deferred inflows of resources - OPEB	18,043	-
Total deferred inflows of resources	<u>20,332</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	7,548,791	-
Restricted for debt service	1,241,016	-
Unrestricted	1,031,557	380,364
Total net position	<u>\$ 9,821,364</u>	<u>\$ 380,364</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, 2022

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 2,127,421	\$ 1,270,419
Other	<u>680</u>	<u>62,199</u>
Total operating revenues	<u>2,128,101</u>	<u>1,332,618</u>
Operating expenses:		
Salaries and wages	298,504	-
Payroll taxes	4,724	-
Retirement	26,284	-
Group insurance	64,520	-
Other post employment benefits	1,164	-
General insurance	67,972	272,373
Claims	-	1,241,810
Telephone and utilities	169,468	-
Professional services	77,558	69,126
Collection fees	44,513	-
Bad debts	22,609	-
Depreciation	910,115	-
Gas and oil	28,565	-
Repairs and supplies	355,383	-
Pretreatment and inspections	30,978	-
Miscellaneous	<u>33,023</u>	<u>126,153</u>
Total operating expenses	<u>2,135,380</u>	<u>1,709,462</u>
Operating loss	<u>(7,279)</u>	<u>(376,844)</u>

(continued)

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
For the Year Ended August 31, 2022

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	Utility Fund	Internal Service Fund
Nonoperating revenues (expenses):		
Tax revenue	277,339	-
Interest income	872	176
Interest expense and other fiscal charges	(47,934)	-
Nonemployer pension contribution	10,249	-
Loss on disposal of capital assets	(6,456)	-
Total nonoperating revenues (expenses)	<u>234,070</u>	<u>176</u>
Income (loss) before transfers	226,791	(376,668)
Capital contributions	821,519	-
Transfers in	105,010	338,969
Transfers out	<u>(91,667)</u>	<u>-</u>
Change in net position	1,061,653	(37,699)
Net position, beginning	<u>8,759,711</u>	<u>418,063</u>
Net position, ending	<u>\$ 9,821,364</u>	<u>\$ 380,364</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, 2022

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	\$ 2,127,421	\$ -
Receipts from insured	-	879,698
Receipts from interfund services provided	-	390,721
Payments to suppliers	(885,522)	(453,584)
Payments for claims and loss time	-	(1,259,675)
Payments to employees	(452,916)	-
Other receipts	<u>680</u>	<u>62,199</u>
Net cash provided (used) by operating activities	<u>789,663</u>	<u>(380,641)</u>
Cash flows from noncapital financing activities:		
Proceeds from taxes levied	277,339	-
Cash received from other funds	14,903	41,985
Cash paid to other funds	-	(41,985)
Transfers from other funds	105,010	338,969
Transfers to other funds	<u>(91,667)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>305,585</u>	<u>338,969</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds payable	(280,000)	-
Interest and fiscal charges paid on revenue bonds payable	(50,604)	-
Acquisition of property, plant and equipment	<u>(287,617)</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>203,298</u>	<u>-</u>
Cash flows from investing activities:		
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	-	(234,845)
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	-	234,668
Interest on deposits	<u>872</u>	<u>176</u>
Net cash provided (used) by investing activities	<u>872</u>	<u>(1)</u>
Net increase (decrease) in cash and cash equivalents	1,299,418	(41,673)
Cash and cash equivalents, beginning of year	<u>2,095,239</u>	<u>322,185</u>
Cash and cash equivalents, end of year	<u>\$ 3,394,657</u>	<u>\$ 280,512</u>

(continued)

CITY OF CROWLEY, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Year Ended August 31, 2022

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (7,279)	\$(376,844)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	910,115	-
Provision for net pension liability, net	(56,995)	-
Provision for OPEB liability	1,164	-
Increase (decrease) current liabilities:		
Accounts payable	(55,453)	14,068
Accrued liabilities	(1,889)	-
Claims payable	-	(17,865)
Net cash provided (used) by operating activities	<u>\$ 789,663</u>	<u>\$(380,641)</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	\$ 1,097,157	\$ 556,853
Cash and interest-bearing deposits - restricted	998,082	-
Less: Interest-bearing deposits with maturity in excess of 90 days	-	(234,668)
Total cash and cash equivalents	<u>2,095,239</u>	<u>322,185</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	2,133,924	515,357
Cash and interest-bearing deposits - restricted	1,260,733	-
Less: Interest-bearing deposits with maturity in excess of 90 days	-	(234,845)
Total cash and cash equivalents	<u>3,394,657</u>	<u>280,512</u>
Net increase (decrease)	<u>\$ 1,299,418</u>	<u>\$ (41,673)</u>

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

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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.

Capital Projects Fund

The Capital Projects Fund accounts for capital improvements within the City. Improvements are being funded by bond proceeds.

Debt Service Fund

The Refunding Bond Series 2021 Fund accumulates monies for the \$2,600,000 Refunding Bonds, Series 2021 and refinancing of the \$5,780,000 Refunding Bonds, Series 2011. Debt service is financed by transfers from various funds.

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.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial 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.

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.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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.

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include 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, 2022, 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, 2022 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, 2022, 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 \$12,107,766 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, 2022, fund balances are composed of the following:

	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
Major Funds				
General -				
Collision losses	\$ -	\$ 65,907	\$ -	\$ 65,907
Other	-	-	2,862,725	2,862,725
Sales Tax Fund	169,776	-	-	169,776
One-Half Cent Sales Tax -				
Salary Fund	2,150,533	-	-	2,150,533
2012 Sales Tax -				
Infrastructure				
Improvement Fund	9,787,457	-	-	9,787,457
Capital Projects	-	6,621,692	-	6,621,692
Refunding Bond Series Fund	318,268			318,268
Nonmajor funds	<u>1,972,725</u>	<u>348,324</u>	<u>(74,101)</u>	<u>2,246,948</u>
Totals	<u>\$ 14,398,759</u>	<u>\$ 7,035,923</u>	<u>\$ 2,788,624</u>	<u>\$ 24,223,306</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. 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.

H. 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.

I. 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.

For the year ended August 31, 2022, 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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(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).

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.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(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, 2022, are secured as follows:

Bank balances	<u>\$ 16,119,801</u>
Insured deposits	2,019,460
Uninsured and collateral held by the pledging bank, not in the City's name	<u>14,100,341</u>
Total	<u>\$ 16,119,801</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

B. Investments

At August 31, 2022, 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 Home Loan Mortgage Corporation (FHLMC)	1.16%	\$ 9,456	\$ (907)	\$ 8,549
Federal National Mortgage Association (FNMA)	1.30% - 2.75%	519,470	(12,122)	507,348
Federal Farm Credit Banks (FFCB)	2.81%	23,905	(3,086)	20,819
Tennessee Valley Authority (TVA)	2.20%	1,071,282	(149,110)	922,172
United States Treasury Bond (USTB)	1.09%	618,446	(68,580)	549,866
Resolution Funding Corporation	1.00%-			
Federal Entry Coupon (RFCF)	1.15%	76,317	(12,142)	64,175
Mortgage Backed Securities:				
Government National Mortgage Corporation (GNMA)	3.00% - 8.00%	1,193,246	(196,902)	996,344
Federal Home Loan Mortgage Corporation (FHLMC)	5.00% - 7.50%	729,297	(81,045)	648,252
Federal National Mortgage Association (FNMA)	3.00% - 8.00%	<u>786,392</u>	<u>(90,319)</u>	<u>696,073</u>
		<u>\$ 5,027,811</u>	<u>\$ (614,213)</u>	<u>\$ 4,413,598</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:					
FHLMC	\$ 8,549	\$ -	\$ 8,549	\$ -	\$ -
FNMA	507,348	-	493,068	14,280	-
FFCB	20,819	-	-	-	20,819
TVA	922,172	-	390,402	312,002	219,768
RCF	64,175	-	-	64,175	-
USTB	549,866	-	350,581	199,285	-
Mortgage Backed Securities:					
GNMA	996,344	-	694	59,097	936,553
FHLMC	648,252	-	1,106	451,324	195,822
FNMA	696,073	-	18,958	196,393	480,722
	<u>\$4,413,598</u>	<u>\$ -</u>	<u>\$1,263,358</u>	<u>\$ 1,296,556</u>	<u>\$ 1,853,684</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, 2022, the City held investments of \$4,413,598 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 \$4,413,598 as of August 31, 2022, 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	\$ 696,073
Federal Home Loan Mortgage Corporation	AA	\$ 648,252

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(5) Receivables

Receivables at August 31, 2022 consist of the following:

	<u>Accounts</u>	<u>Taxes</u>	<u>Franchise Fees</u>	<u>Interest</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ -	\$ -	\$241,215	\$ -	\$ 241,215
Sales Tax Fund	-	835,796	-	-	835,796
1/2 Cent Sales Tax - Salary Fund	-	278,598	-	-	278,598
2012 Sales Tax - Infrastructure Improvement	-	278,598	-	-	278,598
Other governmental funds	-	-	-	96	96
Business-type activities:					
Utility Fund	<u>190,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,342</u>
Totals	<u>\$ 190,342</u>	<u>\$ 1,392,992</u>	<u>\$241,215</u>	<u>\$ 96</u>	<u>\$ 1,824,645</u>

(6) Restricted Assets

Restricted assets consisted of the following at August 31, 2022:

Governmental activities:	
LCDA bond refunding sinking fund	\$ 15,682
Donations for Gladys Trahan Tennis Court	<u>11,542</u>
Total governmental activities	27,224
Business-type activities:	
Sewer Revenue Bond and Interest Sinking Fund	<u>1,260,733</u>
Total restricted assets	<u>\$ 1,287,957</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(7) Capital Assets

Capital asset activity for the year ended August 31, 2022 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	\$ 655,489	\$ -	\$ -	\$ 655,489
Construction in progress	<u>5,070,339</u>	<u>10,210,562</u>	<u>4,833,848</u>	<u>10,447,053</u>
Total capital assets not being depreciated	<u>5,725,828</u>	<u>10,210,562</u>	<u>4,833,848</u>	<u>11,102,542</u>
Capital assets being depreciated:				
Land improvements	107,576	-	-	107,576
Buildings and improvements	8,644,142	4,974,949	245,589	13,373,502
Infrastructure	16,609,732	-	2,165	16,607,567
Machinery and equipment	3,710,874	29,331	474,558	3,265,647
Autos and trucks	<u>3,348,378</u>	<u>58,388</u>	<u>872,520</u>	<u>2,534,246</u>
Total capital assets being depreciated	<u>32,420,702</u>	<u>5,062,668</u>	<u>1,594,832</u>	<u>35,888,538</u>
Less accumulated depreciation				
Land improvements	77,452	5,379	-	82,831
Buildings and improvements	5,213,550	280,059	214,917	5,278,692
Infrastructure	5,837,246	561,071	2,165	6,396,152
Machinery and equipment	3,159,841	147,192	471,420	2,835,613
Autos and trucks	<u>3,006,812</u>	<u>148,494</u>	<u>872,314</u>	<u>2,282,992</u>
Total accumulated depreciation	<u>17,294,901</u>	<u>1,142,195</u>	<u>1,560,816</u>	<u>16,876,280</u>
Total capital assets being depreciated, net	<u>15,125,801</u>	<u>3,920,473</u>	<u>34,016</u>	<u>19,012,258</u>
Governmental activities, capital assets, net	<u>\$ 20,851,629</u>	<u>\$ 14,131,035</u>	<u>\$ 4,867,864</u>	<u>\$ 30,114,800</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
Construction in progress	<u>-</u>	<u>250,105</u>	<u>-</u>	<u>250,105</u>
Total capital assets not being depreciated	<u>161,482</u>	<u>250,105</u>	<u>-</u>	<u>411,587</u>
Capital assets being depreciated:				
Buildings and improvements	4,271	-	-	4,271
Sewer plant	31,401,532	-	204,018	31,197,514
Machinery and equipment	422,071	37,512	1,765	457,818
Autos and trucks	<u>288,987</u>	<u>-</u>	<u>68,549</u>	<u>220,438</u>
Total capital assets being depreciated	<u>32,116,861</u>	<u>37,512</u>	<u>274,332</u>	<u>31,880,041</u>
Less accumulated depreciation				
Buildings and improvements	1,628	107	-	1,735
Sewer plant	21,035,004	888,630	197,562	21,726,072
Machinery and equipment	336,590	21,378	1,765	356,203
Autos and trucks	<u>288,987</u>	<u>-</u>	<u>68,549</u>	<u>220,438</u>
Total accumulated depreciation	<u>21,662,209</u>	<u>910,115</u>	<u>267,876</u>	<u>22,304,448</u>
Total capital assets being depreciated, net	<u>10,454,652</u>	<u>(872,603)</u>	<u>6,456</u>	<u>9,575,593</u>
Business-type activities, capital assets, net	<u>\$ 10,616,134</u>	<u>\$ (622,498)</u>	<u>\$ 6,456</u>	<u>\$ 9,987,180</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 228,307
Public safety	271,185
Public works	478,119
Economic development	8,074
Culture and recreation	<u>156,510</u>
Total depreciation expense	<u>\$1,142,195</u>

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

Sewer	<u>\$ 910,115</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, 2022:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 283,926	\$ 26,649	\$ 310,575
Payroll liabilities	<u>398,149</u>	<u>17,296</u>	<u>415,445</u>
Totals	<u>\$ 682,075</u>	<u>\$ 43,945</u>	<u>\$ 726,020</u>

(9) Long-Term Liabilities

Long-term liabilities at August 31, 2022 are comprised of the following individual issues:

Governmental activities –

Direct borrowings and direct placements –

Bonds payable:

\$14,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority - Revenue Bonds, Series 2020 due in annual installments of \$330,000 to \$1,000,000 through October 1, 2040, at a variable interest rate of 3% to 4%. The debt will be retired from excess annual revenue.	\$ 13,670,000
\$2,600,000 Louisiana Local Government Environmental Facilities and Community Development Authority - Revenue Refunding Bonds, Series 2021 due in annual installments of \$320,000 to \$330,000 through November 1, 2029, at a variable interest rate of 3% to 4%. The debt will be retired from excess annual revenue.	2,600,000
\$6,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority - Revenue Bonds, Series 2022 due in annual installments of \$185,000 to \$425,000 through October 1, 2041, at a variable interest rate of 3% to 4%. The debt will be retired from excess annual revenue.	<u>6,000,000</u>
Total bonds payable	\$ 22,270,000
Add: unamortized bond premium	<u>2,663,872</u>
Net bonds payable	<u>\$ 24,933,872</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Business-type activities –

Direct borrowings –

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. \$ 1,625,000

\$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. 813,389

Total business-type activities long-term liabilities \$2,438,389

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	
2023	\$ 1,005,000	\$ 865,810	\$ 314,000	\$ 44,693	\$ 2,229,503
2024	1,055,000	808,925	315,000	38,432	2,217,357
2025	1,080,000	771,650	321,000	32,101	2,204,751
2026	1,105,000	733,425	332,000	25,577	2,196,002
2027	1,150,000	693,925	333,000	18,921	2,195,846
2028 - 2032	5,570,000	2,792,187	823,389	19,066	9,204,642
2033 - 2037	5,565,000	1,721,500	-	-	7,286,500
2038 - 2042	<u>5,740,000</u>	<u>512,400</u>	<u>-</u>	<u>-</u>	<u>6,252,400</u>
Totals	<u>\$ 22,270,000</u>	<u>\$ 8,899,822</u>	<u>\$ 2,438,389</u>	<u>\$ 178,790</u>	<u>\$ 33,787,001</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Changes in General Long-Term Liabilities

During the year ended August 31, 2022, the following changes occurred in long-term liabilities transactions and balances:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable -					
Revenue Refunding					
Bonds, Series 2011	\$ 3,035,000	\$ -	\$ 3,035,000	\$ -	\$ -
Revenue Bonds,					
Series 2020	14,000,000	-	330,000	13,670,000	500,000
Revenue Refunding					
Bonds, Series 2021	-	2,600,000	-	2,600,000	320,000
Revenue Bonds,					
Series 2022	-	6,000,000	-	6,000,000	185,000
Premium on bond					
issuances	<u>1,857,747</u>	<u>903,902</u>	<u>97,777</u>	<u>2,663,872</u>	<u>162,044</u>
Total governmental activities	<u>\$ 18,892,747</u>	<u>\$ 9,503,902</u>	<u>\$ 3,462,777</u>	<u>\$ 24,933,872</u>	<u>\$ 1,167,044</u>
Business-type activities:					
Sewer Revenue					
Refunding Bonds,					
Series 2012	\$ 1,835,000	\$ -	\$ 210,000	\$ 1,625,000	\$ 220,000
Wastewater Revenue					
Bonds, Series 2013	<u>883,389</u>	<u>-</u>	<u>70,000</u>	<u>813,389</u>	<u>94,000</u>
Total business-type activities	<u>\$ 2,718,389</u>	<u>\$ -</u>	<u>\$ 280,000</u>	<u>\$ 2,438,389</u>	<u>\$ 314,000</u>

(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, 2022, amounts drawn to date totaled \$1,224,390.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(11) Outstanding Letter of Credit

At August 31, 2022 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, 2022.

(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).

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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.
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.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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.

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.

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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.

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.

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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.

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

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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.

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

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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).

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)

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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.

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

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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 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

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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.

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 become disabled 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

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

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Funding Policy:

Employer Contributions: According to state statute, contributions for all employers are actuarially determined each year. The employer contribution rates were as follows:

	<u>Status</u>	<u>Employer</u>
Municipal Employees' Retirement System of Louisiana (Plan A)	open	29.50%
Municipal Police Employees's Retirement System of Louisiana	open	29.75%
Firefighters Retirement System of Louisiana (above poverty line)	open	33.75%
Firefighters Retirement System of Louisiana (below poverty line)	open	35.75%
Louisiana State Employees' Retirement System (LASERS) Judges hired before 1/01/11	closed	43.70%

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)	\$ 63,280
Municipal Police Employees's Retirement System of Louisiana	102,440
Firefighters Retirement System of Louisiana	<u>169,482</u>
	<u>\$ 335,202</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 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.

	<u>Net Pension Liability (Asset)</u>		<u>Measurement Rate</u>		<u>Increase</u> <u>(Decrease)</u>
	<u>at Measurement Date</u>		<u>Current</u>	<u>Previous</u>	
	<u>Governmental</u>	<u>Business- Type</u>			
	<u>Activities</u>	<u>Activities</u>			
MERS (Plan A) *	\$ 3,092,793	\$ 597,712	0.888586%	0.821996%	0.066590%
MPERS *	4,707,158	-	0.460503%	0.462539%	-0.002036%
FRS *	4,198,269	-	0.595390%	0.589802%	0.005588%
LASERS *	<u>112,413</u>	<u>-</u>	0.001490%	0.001490%	0.000000%
Total	<u>\$ 12,110,633</u>	<u>\$ 597,712</u>			

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

Municipal Employees' Retirement System of Louisiana (Plan A)	\$ 430,031
Municipal Police Employees's Retirement System of Louisiana	649,975
Firefighters Retirement System of Louisiana	626,137
Louisiana State Employees' Retirement System	<u>11,203</u>
	<u>\$ 1,717,346</u>

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Municipal Employees' Retirement System (MERS)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 3,653	\$ 11,842	\$ 706	\$ 2,289
Change of assumptions	29,961	-	5,790	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	138,075	-	26,684	-
Net differences between projected and actual earnings on plan investments	514,627	-	99,458	-
Contributions subsequent to the measurement date	<u>63,828</u>	<u>-</u>	<u>12,335</u>	<u>-</u>
Total	<u>\$ 750,144</u>	<u>\$ 11,842</u>	<u>\$ 144,973</u>	<u>\$ 2,289</u>

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Municipal Police Employees' Retirement System (MPERS)

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow: of Resources</u>
Difference between expected and actual experience	\$ 23,216	\$ 38,365
Change of assumptions	162,371	35,012
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	138,138	133,678
Net differences between projected and actual earnings on plan investments	840,376	-
Contributions subsequent to the measurement date	<u>64,154</u>	<u>-</u>
Total	<u>\$ 1,228,255</u>	<u>\$ 207,055</u>

Firefighters' Retirement System (FRS)

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 25,092	\$ 198,396
Change of assumptions	346,178	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	120,554	270,031
Net differences between projected and actual earnings on plan investments	951,018	-
Contributions subsequent to the measurement date	<u>75,807</u>	<u>-</u>
Total	<u>\$ 1,518,649</u>	<u>\$ 468,427</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	\$ 307	\$ -
Change of assumptions	2,044	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	-
Net differences between projected and actual earnings on plan investments	9,054	-
Contributions subsequent to the measurement date	<u>2,130</u>	<u>-</u>
Total	<u>\$ 13,535</u>	<u>\$ -</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 subsequent period as follows:

Municipal Employees' Retirement System of Louisiana (Plan A)	\$ 76,163
Municipal Police Employees's Retirement System of Louisiana	64,154
Firefighters Retirement System of Louisiana	75,807
Louisiana State Employees' Retirement System	<u>2,130</u>
	<u>\$ 218,254</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>
2023	\$ 256,869	\$ 171,393	\$ 227,658	\$ 5,616	\$ 661,536
2024	194,700	295,013	161,878	1,871	653,462
2025	58,764	49,828	106,308	(2,290)	212,610
2026	294,490	440,812	480,273	6,208	1,221,783
2027	-	-	5,400	-	5,400
2028	-	-	(7,102)	-	(7,102)
	<u>\$ 804,823</u>	<u>\$ 957,046</u>	<u>\$ 974,415</u>	<u>\$ 11,405</u>	<u>\$ 2,747,689</u>

CITY OF CROWLEY, LOUISIANA

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 are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation	6.75%, net of investment income	6.90% per annum, net of investment expense, including inflation	7.25% 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. Disables lives mortality: PubNS-2010(B) Disables Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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.

CITY OF CROWLEY, LOUISIANA

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 are summarized in the following table:

Asset Class	Target Allocation			
	MERS	MPERS	FRS	LASERS
Equity	53.00%	55.50%	56.00%	0.00%
Fixed Income	38.00%	30.50%	26.00%	0.00%
Alternatives	<u>9.00%</u>	<u>14.00%</u>	<u>18.00%</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%	0.39%
Fixed Income	1.65%	0.85%	4.34%	6.52%
Equity	2.31%	3.60%	25.27%	10.33%
Alternatives	0.39%	0.95%	18.45%	8.30%
Other	<u>0.00%</u>	<u>0.00%</u>	6.28%	0.00%
Total Fund	4.35%	5.40%	<u>0.00%</u>	<u>5.91%</u>
Inflation	<u>2.60%</u>	<u>2.66%</u>	<u>2.50%</u>	<u>2.30%</u>
Expected Arithmetic Nominal Return	<u>6.95%</u>	<u>8.06%</u>	<u>6.90%</u>	<u>8.34%</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:

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

	<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	5.85%	6.85%	7.85%
Net Pension Liability (Asset)	\$ 4,909,092	\$ 3,690,505	\$ 2,660,838
MPERS			
Discount Rates	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 6,589,120	\$ 4,707,158	\$ 3,135,097
FRS			
Discount Rates	5.90%	6.90%	7.90%
Net Pension Liability (Asset)	\$ 6,210,873	\$ 4,198,269	\$ 2,519,615
LASERS			
Discount Rates	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 141,449	\$ 112,413	\$ 85,937

(14) Commitments and Contingencies

Litigation

At August 31, 2022, 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) 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, 2022, the claims liability of \$24,528 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>2022</u>	<u>2021</u>
Unpaid claims, beginning	\$ 7,865	\$ 31,397
Claims incurred	270,006	385,385
Claims payments	<u>(253,343)</u>	<u>(408,917)</u>
Unpaid claims, ending	<u>\$ 24,528</u>	<u>\$ 7,865</u>

Claims payable of \$24,528 at August 31, 2022 consisted of claims incurred prior to August 31, 2022 and paid in September, 2022 through October, 2022.

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, 2022, the claims liability of \$27,387 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.

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Reconciliation of Claims Liabilities

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning	\$ 61,915	\$ 205,897
Claims incurred	953,939	1,035,300
Claims payments	<u>(988,467)</u>	<u>(1,179,282)</u>
Unpaid claims, ending	<u>\$ 27,387</u>	<u>\$ 61,915</u>

Claims payable of \$27,387 at August 31, 2022 consisted of claims incurred prior to August 31, 2022 and paid in September, 2022 through November, 2022.

(16) 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.

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.

Employees covered by benefit terms – 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>100</u>
	<u>104</u>

The City’s total OPEB liability of \$1,637,924 was measured as of August 31, 2022 and was determined by an actuarial valuation as of August 31, 2022.

Actuarial Assumptions and other inputs – The total OPEB liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior Discount rate	2.14%
Discount rate	3.70%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.5% annually until year 2032, 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, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the August 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions from September 1, 2009 to August 31, 2022.

The following presents changes in the total OPEB liability:

Balance at August 31, 2021	<u>\$ 1,497,299</u>
Changes for the year:	
Service cost	16,315
Interest	32,217
Differences between expected and actual experience	398,025
Changes in assumptions	(273,322)
Benefit payments and net transfers	<u>(32,610)</u>
Net changes	<u>140,625</u>
Balance at August 31, 2022	<u>\$ 1,637,924</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	Current Discount Rate	1.0% Increase
	<u>2.70%</u>	<u>3.70%</u>	<u>4.70%</u>
Total OPEB liability	<u>\$ 1,840,458</u>	<u>\$ 1,637,924</u>	<u>\$ 1,464,901</u>

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:

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

	1.0% Decrease <u>4.50%</u>	Current Trend <u>5.50%</u>	1.0% Increase <u>6.50%</u>
Total OPEB liability	\$ 1,462,728	\$ 1,637,924	\$ 1,842,933

For the year ended August 31, 2022, the City recognized OPEB expense of \$79,525. At August 31, 2022, 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	\$ 479,748	\$ 64,814
Changes in assumptions	<u>153,755</u>	<u>275,108</u>
Total	<u>\$ 633,503</u>	<u>\$ 339,922</u>

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 <u>August 31:</u>	
2023	\$ 30,993
2024	30,993
2025	30,993
2026	30,993
2027	30,993
2028 - 2042	<u>138,616</u>
	<u>\$ 293,581</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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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.

(17) Interfund Receivables/Payables and Interfund Transfers

A. A summary of interfund receivables and payables follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 757,295	\$ -
Sales Tax Fund	-	1,743,522
One-Half Cent Sales Tax - Salary Fund	1,216,285	-
2012 Sales Tax - Infrastructure Improvement fund	614,688	-
Nonmajor governmental funds	<u>14,029</u>	<u>86,397</u>
Total governmental funds	2,602,297	1,829,919
Internal service funds	41,985	91,985
Enterprise Fund	<u>-</u>	<u>722,378</u>
Total	<u>\$ 2,644,282</u>	<u>\$ 2,644,282</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:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 7,333,553	\$ 759,125
Sales Tax Fund	12,545	6,216,788
1/2 Cent Sales Tax - Salary Fund	-	1,526,696
2012 Sales Tax - Infrastructure Improvement Fund	-	1,577,581
Capital Project Fund	-	14,450
Refunding Bond Series 2021 Fund	388,016	-
Nonmajor governmental funds	<u>2,199,571</u>	<u>191,357</u>
Total governmental funds	9,933,685	10,285,997
Internal service fund	338,969	-
Enterprise Fund	<u>105,010</u>	<u>91,667</u>
Total	<u>\$10,377,664</u>	<u>\$ 10,377,664</u>

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

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.

(18) On-Behalf Payments

The City has recognized \$369,840 as revenue and expenditure for on-behalf salary payments, of which \$331,083 was made by the State of Louisiana, \$37,557 was made by the Acadia Parish Sheriff's Office, and \$1,200 was made by the Acadia Parish Police Jury.

(19) Change in Accounting Principles

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. 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. During the fiscal year ended August 31, 2022, the City implemented GASBS No. 87, Leases, for accounting and reporting leases that had previously been reported as capital leases. Due to immateriality, restatement of prior period financial statements was not necessary. The change had no effect on the current year financials.

(20) New Accounting Pronouncement

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This standard requires governments to report SBITAs as either a capital asset or an intangible asset and to disclose information about the terms of the arrangement, the costs, and any significant impacts on operations. This standard is effective for reporting periods beginning after June 15, 2022. The City will include the requirements of this standard, as applicable, in its August 31, 2023, financial statements. All of the City's SBITA agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the City are unknown at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 2,822,500	\$ 2,822,500	\$ 2,803,125	\$ (19,375)
Licenses and permits	690,000	690,000	773,496	83,496
Intergovernmental	2,785,000	2,785,000	1,387,270	(1,397,730)
Charges for services	45,235	45,235	68,566	23,331
Fines and fees	198,000	198,000	209,959	11,959
Investment income	43,001	43,001	(40,549)	(83,550)
Miscellaneous	<u>203,286</u>	<u>203,286</u>	<u>289,780</u>	<u>86,494</u>
Total revenues	<u>6,787,022</u>	<u>6,787,022</u>	<u>5,491,647</u>	<u>(1,295,375)</u>
Expenditures:				
Current -				
General government	4,002,634	4,002,634	2,031,336	1,971,298
Public safety	7,097,389	7,097,389	6,918,642	178,747
Public works	1,528,711	1,528,711	1,769,155	(240,444)
Economic development	68,500	68,500	100,142	(31,642)
Capital outlay	40,000	40,000	95,869	(55,869)
Debt service -				
Principal retirement	108,251	108,251	171,254	(63,003)
Interest and fiscal charges	<u>6,766</u>	<u>6,766</u>	<u>2,564</u>	<u>4,202</u>
Total expenditures	<u>12,852,251</u>	<u>12,852,251</u>	<u>11,088,962</u>	<u>1,763,289</u>
Deficiency of revenues over expenditures	<u>(6,065,229)</u>	<u>(6,065,229)</u>	<u>(5,597,315)</u>	<u>467,914</u>
Other financing sources (uses):				
Transfers in	7,205,672	7,205,672	7,333,553	127,881
Transfers out	<u>(1,068,200)</u>	<u>(1,068,200)</u>	<u>(759,125)</u>	<u>309,075</u>
Total other financing sources (uses)	<u>6,137,472</u>	<u>6,137,472</u>	<u>6,574,428</u>	<u>436,956</u>
Net change in fund balance	72,243	72,243	977,113	904,870
Fund balance, beginning	<u>1,951,519</u>	<u>1,951,519</u>	<u>1,951,519</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,023,762</u>	<u>\$ 2,023,762</u>	<u>\$ 2,928,632</u>	<u>\$ 904,870</u>

CITY OF CROWLEY, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2022

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,348,000	\$ 5,348,000	\$ 5,458,035	\$ 110,035
Investment income	<u>1,500</u>	<u>1,500</u>	<u>778</u>	<u>(722)</u>
Total revenues	<u>5,349,500</u>	<u>5,349,500</u>	<u>5,458,813</u>	<u>109,313</u>
Expenditures:				
Current -				
General government	<u>81,560</u>	<u>81,560</u>	<u>108,239</u>	<u>(26,679)</u>
Excess of revenues over expenditures	5,267,940	5,267,940	5,350,574	82,634
Other financing uses:				
Transfers in	-	-	12,545	12,545
Transfers out	<u>(5,961,776)</u>	<u>(5,961,776)</u>	<u>(6,216,788)</u>	<u>(255,012)</u>
Total other financing sources (uses)	<u>(5,961,776)</u>	<u>(5,961,776)</u>	<u>(6,204,243)</u>	<u>(242,467)</u>
Net change in fund balance	(693,836)	(693,836)	(853,669)	(159,833)
Fund balance, beginning	<u>1,023,445</u>	<u>1,023,445</u>	<u>1,023,445</u>	<u>-</u>
Fund balance, ending	<u>\$ 329,609</u>	<u>\$ 329,609</u>	<u>\$ 169,776</u>	<u>\$ (159,833)</u>

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

Budgetary Comparison Schedule
For the Year Ended August 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,790,000	\$ 1,790,000	\$ 1,878,345	\$ 88,345
Investment income	<u>2,800</u>	<u>2,800</u>	<u>2,068</u>	<u>(732)</u>
Total revenues	1,792,800	1,792,800	1,880,413	87,613
Expenditures:				
Current -				
General government	<u>21,000</u>	<u>21,000</u>	<u>42,282</u>	<u>(21,282)</u>
Excess of revenues over expenditures	1,771,800	1,771,800	1,838,131	66,331
Other financing sources (uses):				
Transfers out	<u>(1,577,250)</u>	<u>(1,577,250)</u>	<u>(1,526,696)</u>	<u>50,554</u>
Net change in fund balance	194,550	194,550	311,435	116,885
Fund balance, beginning	<u>1,839,098</u>	<u>1,839,098</u>	<u>1,839,098</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,033,648</u>	<u>\$ 2,033,648</u>	<u>\$ 2,150,533</u>	<u>\$ 116,885</u>

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

Budgetary Comparison Schedule
For the Year Ended August 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,790,000	\$ 1,790,000	\$ 1,878,345	\$ 88,345
Investment income	-	-	120,528	120,528
Net decrease in fair value of investments	<u>200,000</u>	<u>200,000</u>	<u>(496,555)</u>	<u>(696,555)</u>
Total revenues	<u>1,990,000</u>	<u>1,990,000</u>	<u>1,502,318</u>	<u>(487,682)</u>
Expenditures:				
Current -				
General government	28,300	28,300	46,634	(18,334)
Capital outlay	<u>17,519,426</u>	<u>17,519,426</u>	<u>-</u>	<u>17,519,426</u>
Total expenditures	<u>17,547,726</u>	<u>17,547,726</u>	<u>46,634</u>	<u>17,501,092</u>
Excess of revenues over expenditures	(15,557,726)	(15,557,726)	1,455,684	17,013,410
Other financing uses:				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(1,577,581)</u>	<u>(1,277,581)</u>
Net change in fund balance	(15,857,726)	(15,857,726)	(121,897)	15,735,829
Fund balance, beginning	<u>9,909,354</u>	<u>9,909,354</u>	<u>9,909,354</u>	<u>-</u>
Fund balance, ending	<u>\$ (5,948,372)</u>	<u>\$ (5,948,372)</u>	<u>\$ 9,787,457</u>	<u>\$ 15,735,829</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 Sales Tax Fund and the One-Half Cent Sales Tax – Salary 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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Changes for the year:					
Service cost	\$ 16,315	\$ 16,690	\$ 14,299	\$ 11,442	\$ 12,787
Interest	32,217	30,560	41,027	47,127	42,104
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	398,025	91,624	(92,592)	21,457	50,179
Changes of assumptions	(273,322)	10,149	74,529	122,224	(44,522)
Benefit payments	<u>(32,610)</u>	<u>(32,450)</u>	<u>(30,758)</u>	<u>(36,930)</u>	<u>(35,005)</u>
Net change in total OPEB liability	140,625	116,573	6,505	165,320	25,543
Total OPEB liability - beginning	<u>1,497,299</u>	<u>1,380,726</u>	<u>1,374,221</u>	<u>1,208,901</u>	<u>1,183,358</u>
Total OPEB liability - ending	<u>\$1,637,924</u>	<u>\$1,497,299</u>	<u>\$1,380,726</u>	<u>\$1,374,221</u>	<u>\$ 1,208,901</u>
Covered - employee payroll	<u>\$3,506,232</u>	<u>\$3,778,006</u>	<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>46.71%</u>	<u>39.63%</u>	<u>37.64%</u>	<u>32.71%</u>	<u>29.64%</u>
Notes to Schedule:					
Benefit Changes	None	None	None	None	None
Changes of Assumptions:					
Discount Rate	3.70%	2.14%	2.20%	2.97%	3.88%
Mortality	RP-2014	RP-2014	RP-2014	RP-2000	RP-2000
Trend	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%	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, 2022

* 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%
2021	0.821996%	\$ 2,286,385	\$ 1,552,926	147.23%	77.82%
2022	0.888586%	\$ 3,690,505	\$ 1,701,442	216.90%	67.87%

* 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, 2022

<u>Year ended August 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
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%
2021	\$ 446,740	\$ 446,740	\$ -	\$ 1,560,318	28.63%
2022	\$ 505,123	\$ 505,123	\$ -	\$ 1,719,743	29.37%

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, 2022

* 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%
2021	0.462539%	\$ 2,465,586	\$ 1,411,124	174.72%	84.09%
2022	0.460503%	\$ 4,707,158	\$ 1,421,663	331.10%	70.80%

* 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, 2022

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%
2021	\$ 464,316	\$ 464,316	\$ -	\$ 1,403,001	33.09%
2022	\$ 422,936	\$ 422,936	\$ -	\$ 1,397,012	30.27%

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, 2022

* 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%
2021	0.589802%	\$ 2,090,171	\$ 1,487,549	140.51%	86.78%
2022	0.595390%	\$ 4,198,269	\$ 1,549,791	270.89%	74.68%

* 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, 2022

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%
2021	\$ 477,195	\$ 477,195	\$ -	\$ 1,487,549	32.08%
2022	\$ 517,701	\$ 517,701	\$ -	\$ 1,549,791	33.40%

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, 2022

* 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	368.12%	62.66%
2016	0.001300%	\$ 102,319	\$ 25,001	409.26%	57.70%
2017	0.002380%	\$ 167,595	\$ 27,124	617.88%	62.50%
2018	0.002290%	\$ 156,449	\$ 30,301	516.32%	64.30%
2019	0.001610%	\$ 116,933	\$ 29,625	394.71%	62.90%
2020	0.001440%	\$ 119,263	\$ 29,718	401.32%	58.00%
2021	0.149000%	\$ 82,174	\$ 30,907	265.88%	72.78%
2022	0.149000%	\$ 112,413	\$ 31,627	355.43%	63.65%

* 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, 2022

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%
2021	\$ 13,506	\$ 13,506	\$ -	\$ 30,907	43.70%
2022	\$ 12,781	\$ 12,781	\$ -	\$ 31,627	40.41%

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

CITY OF CROWLEY, LOUISISANA

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, 2022.

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%
2021	6.850%	6.850%	2.500%	3	4.50%	6.40%
2022	6.850%	6.850%	2.500%	3	4.50%	6.40%

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

B. Municipal Police Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2022.

CITY OF CROWLEY, LOUISIANA

Notes to Retirement System Schedules (Continued)

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%
2021	6.750%	6.750%	2.500%	4	4.70%	12.30%
2022	6.750%	6.750%	2.500%	4	4.70%	12.30%

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

C. Firefighters' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2022.

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%
2021	6.90%	6.90%	2.500%	7	5.20%	14.10%
2022	6.90%	6.90%	2.500%	7	5.20%	14.10%

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

CITY OF CROWLEY, LOUISIANA

Notes to Retirement System Schedules (Continued)

D. Louisiana State Employees' Retirement System

Changes of benefit terms –

There were no changes of benefit terms for the year ended August 31, 2022.

Changes of assumptions –

* Year Ended <u>August 31,</u>	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%
2021	7.400%	7.400%	2.300%	2	2.60%	5.10%
2022	7.250%	7.400%	2.300%	2	2.60%	5.10%

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

SUPPLEMENTARY INFORMATION

CITY OF CROWLEY, LOUISIANA

Schedule of Compensation, Benefits, and Other Payments to Agency Head
Timothy Monceaux, Mayor
Year Ended August 31, 2022

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 77,258
Benefits - insurance	11,076
Benefits - retirement	22,791
Benefits - medicare	1,120
Travel expense reimbursement - food	<u>37</u>
	<u>\$ 112,282</u>

CITY OF CROWLEY, LOUISIANA

Schedule of Compensation
City Council
Year Ended August 31, 2022

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	<u>10,150</u>
	<u>\$ 92,550</u>

CITY OF CROWLEY, LOUISIANA

Justice System Funding Schedule
Receiving Entity
Year Ended August 31, 2022

Cash Basis Presentation	First Six Month Period Ended <u>02/28/2022</u>	Second Six Month Period Ended <u>08/31/2022</u>
Receipts From:		
Crowley City Court - Criminal Court Costs/Fees	\$ 8,470	\$ 10,700
Crowley City Court - Criminal Fines - Other	<u>77,242</u>	<u>94,886</u>
Total receipts	<u>\$ 85,712</u>	<u>\$ 105,586</u>

OTHER INFORMATION

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended August 31, 2022
With Comparative Actual Amounts for the Year Ended August 31, 2021

	2022		Actual	Variance with	2021 Actual
	Budget			Final Budget	
	Original	Final		Positive (Negative)	
Taxes:					
Ad valorem	\$ 1,757,500	\$ 1,757,500	\$ 1,749,822	\$ (7,678)	\$ 1,777,461
Electric franchise	721,000	721,000	711,515	(9,485)	621,604
Gas franchise	90,000	90,000	92,996	2,996	80,188
Telephone franchise	24,000	24,000	15,281	(8,719)	19,779
Cable TV franchise	125,000	125,000	129,262	4,262	119,543
Water franchise	90,000	90,000	79,180	(10,820)	119,495
In lieu of tax payments	10,000	10,000	10,000	-	-
Interest and penalties on taxes	5,000	5,000	15,069	10,069	3,900
Total taxes	<u>2,822,500</u>	<u>2,822,500</u>	<u>2,803,125</u>	<u>(19,375)</u>	<u>2,741,970</u>
Licenses and permits:					
Occupational licenses	286,000	286,000	281,464	(4,536)	320,502
Insurance licenses	275,000	275,000	270,275	(4,725)	293,804
Liquor licenses	34,000	34,000	31,645	(2,355)	34,132
Building permits	59,500	59,500	171,587	112,087	57,497
Chain store licenses	10,500	10,500	10,956	456	10,186
Other licenses and permits	25,000	25,000	7,569	(17,431)	-
Total licenses and permits	<u>690,000</u>	<u>690,000</u>	<u>773,496</u>	<u>83,496</u>	<u>716,121</u>
Intergovernmental:					
Beer tax revenue	25,000	25,000	19,706	(5,294)	21,533
Video poker tax revenue	400,000	400,000	574,094	174,094	447,726
2% fire insurance proceeds	60,000	60,000	92,642	32,642	52,113
Federal grants	2,300,000	2,300,000	205,988	(2,094,012)	35,315
State grants	-	-	125,000	125,000	28,000
On-behalf payments	-	-	369,840	369,840	401,339
Total intergovernmental	<u>2,785,000</u>	<u>2,785,000</u>	<u>1,387,270</u>	<u>(1,397,730)</u>	<u>986,026</u>
Charges for services:					
Lot cutting fees	3,500	3,500	5,484	1,984	5,063
Animal control fees	1,500	1,500	1,397	(103)	590
Frame and grate income	10,000	10,000	-	(10,000)	-
State highway clean-up fees	26,000	26,000	28,250	2,250	24,730
Miscellaneous fees	4,235	4,235	33,435	29,200	3,934
Total charges for services	<u>45,235</u>	<u>45,235</u>	<u>68,566</u>	<u>23,331</u>	<u>34,317</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended August 31, 2022
With Comparative Actual Amounts for the Year Ended August 31, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Fines and fees:					
Court fines and fees	198,000	198,000	209,959	11,959	141,395
Investment income	43,001	43,001	(40,549)	(83,550)	4,635
Miscellaneous:					
Rental of property	77,500	77,500	70,689	(6,811)	73,874
Mardi Gras fundraiser	6,000	6,000	4,670	(1,330)	-
Gas and oil royalties	150	150	105	(45)	-
Miscellaneous police revenues	26,010	26,010	26,569	559	21,244
Retirees insurance reimbursements	32,000	32,000	24,761	(7,239)	26,239
Other	61,626	61,626	162,986	101,360	217,496
Total miscellaneous	203,286	203,286	289,780	86,494	338,853
 Total revenues	 \$ 6,787,022	 \$ 6,787,022	 \$ 5,491,647	 \$ (1,295,375)	 \$ 4,963,317

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended August 31, 2022
With Comparative Actual Amounts for the Year Ended August 31, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
General government -					
Administrative:					
Salaries and wages	\$ 498,959	\$ 498,959	\$ 474,181	\$ 24,778	\$ 466,497
Payroll taxes	11,700	11,700	10,194	1,506	10,377
Retirement	99,000	99,000	91,069	7,931	104,363
Group insurance	150,000	150,000	108,682	41,318	107,630
General insurance	37,000	37,000	50,537	(13,537)	38,934
Office expense	22,000	22,000	31,714	(9,714)	33,132
Telephone and utilities	20,000	20,000	42,519	(22,519)	40,748
Professional services	210,500	210,500	329,750	(119,250)	396,988
Computer expense	90,500	90,500	101,261	(10,761)	114,792
Convention and schools	16,500	16,500	6,650	9,850	5,319
Dues	5,000	5,000	4,447	553	4,584
Publication expense	23,200	23,200	26,884	(3,684)	30,816
Tax roll expense	21,000	21,000	14,616	6,384	9,145
Collision loss	132,000	132,000	294,373	(162,373)	128,783
Repairs and maintenance	5,000	5,000	22,489	(17,489)	12,214
Miscellaneous	<u>2,332,400</u>	<u>2,332,400</u>	<u>72,607</u>	<u>2,259,793</u>	<u>573,174</u>
Total administrative	<u>3,674,759</u>	<u>3,674,759</u>	<u>1,681,973</u>	<u>1,992,786</u>	<u>2,077,496</u>
Courts:					
Salaries and wages	163,190	163,190	173,147	(9,957)	149,818
Payroll taxes	2,700	2,700	2,528	172	2,095
Retirement	51,000	51,000	58,422	(7,422)	49,574
Group insurance	48,000	48,000	47,852	148	41,978
General insurance	15,245	15,245	12,837	2,408	15,345
City court appropriation	40,000	40,000	40,000	-	40,000
Telephone and utilities	4,700	4,700	9,437	(4,737)	8,474
Miscellaneous	<u>3,040</u>	<u>3,040</u>	<u>5,140</u>	<u>(2,100)</u>	<u>2,821</u>
Total courts	<u>327,875</u>	<u>327,875</u>	<u>349,363</u>	<u>(21,488)</u>	<u>310,105</u>
Total general government	<u>4,002,634</u>	<u>4,002,634</u>	<u>2,031,336</u>	<u>1,971,298</u>	<u>2,387,601</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2022
With Comparative Actual Amounts for the Year Ended August 31, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Public safety -					
Fire department:					
Salaries and wages	1,694,921	1,694,921	1,722,856	(27,935)	1,555,041
Payroll taxes	26,500	26,500	27,136	(636)	25,179
Retirement	445,000	445,000	541,593	(96,593)	462,198
Group insurance	400,000	400,000	333,452	66,548	403,490
General insurance	80,755	80,755	96,369	(15,614)	80,755
Office expense	3,500	3,500	2,783	717	2,437
Telephone and utilities	42,500	42,500	31,213	11,287	29,690
Gas and oil	12,500	12,500	20,311	(7,811)	11,623
Repairs and supplies	138,500	138,500	146,309	(7,809)	124,920
Uniforms	15,000	15,000	13,325	1,675	10,945
External appropriations	5,000	5,000	5,000	-	500
Fire prevention	4,000	4,000	2,310	1,690	3,100
Miscellaneous	31,500	31,500	49,512	(18,012)	26,487
Total fire department	<u>2,899,676</u>	<u>2,899,676</u>	<u>2,992,169</u>	<u>(92,493)</u>	<u>2,736,365</u>
Police department:					
Salaries and wages	1,872,416	1,872,416	1,846,557	25,859	1,722,013
Payroll taxes	28,600	28,600	29,694	(1,094)	28,764
Retirement	522,000	522,000	402,751	119,249	480,449
Group insurance	480,000	480,000	369,793	110,207	471,714
General insurance	329,855	329,855	165,240	164,615	329,855
Office expense	200	200	11,569	(11,369)	11,643
Telephone and utilities	54,000	54,000	67,104	(13,104)	56,114
Computer expense	54,500	54,500	108,904	(54,404)	62,781
Gas and oil	60,000	60,000	105,057	(45,057)	78,082
Repairs and maintenace	55,500	55,500	71,532	(16,032)	58,238
Conventions and schools	15,000	15,000	20,453	(5,453)	3,093
Building rental	90,000	90,000	95,040	(5,040)	65,880
Miscellaneous	74,150	74,150	111,691	(37,541)	157,233
Total police department	<u>3,636,221</u>	<u>3,636,221</u>	<u>3,405,385</u>	<u>230,836</u>	<u>3,525,859</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2022
With Comparative Actual Amounts for the Year Ended August 31, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Code enforcement:					
Salaries and wages	225,011	225,011	184,096	40,915	146,469
Payroll taxes	4,830	4,830	4,494	336	3,045
Retirement	55,790	55,790	55,042	748	38,981
Group insurance	56,000	56,000	39,260	16,740	35,676
General insurance	23,851	23,851	19,165	4,686	23,851
Office expense	8,500	8,500	5,675	2,825	3,113
Telephone and utilities	13,000	13,000	10,146	2,854	6,097
Gas and oil	5,500	5,500	14,150	(8,650)	6,704
Repairs and supplies	34,000	34,000	38,176	(4,176)	42,836
Trash clean-up	50,000	50,000	40,304	9,696	24,615
Animal control	1,850	1,850	1,236	614	-
Miscellaneous	83,160	83,160	109,344	(26,184)	16,385
Total code enforcement	<u>561,492</u>	<u>561,492</u>	<u>521,088</u>	<u>40,404</u>	<u>347,772</u>
Total public safety	<u>7,097,389</u>	<u>7,097,389</u>	<u>6,918,642</u>	<u>178,747</u>	<u>6,609,996</u>
Public works -					
Drainage and public buildings:					
Salaries and wages	192,000	192,000	196,873	(4,873)	163,877
Payroll taxes	4,075	4,075	4,013	62	2,686
Retirement	49,500	49,500	56,465	(6,965)	46,576
Group insurance	54,000	54,000	47,208	6,792	51,039
General insurance	31,900	31,900	16,129	15,771	31,900
Telephone and utilities	33,000	33,000	38,768	(5,768)	35,147
Gas and oil	5,500	5,500	11,906	(6,406)	4,325
Repairs and maintenance	148,000	148,000	404,093	(256,093)	93,159
Miscellaneous	10,175	10,175	10,160	15	6,789
Total drainage and public buildings	<u>528,150</u>	<u>528,150</u>	<u>785,615</u>	<u>(257,465)</u>	<u>435,498</u>

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2022
With Comparative Actual Amounts for the Year Ended August 31, 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Street department:					
Salaries and wages	326,350	326,350	262,035	64,315	247,205
Payroll taxes	9,145	9,145	7,191	1,954	6,069
Retirement	65,000	65,000	65,482	(482)	61,340
Group insurance	84,133	84,133	51,410	32,723	65,197
General insurance	76,183	76,183	37,949	38,234	76,183
Gas and oil	22,000	22,000	39,667	(17,667)	23,674
Repairs and supplies	60,000	60,000	92,151	(32,151)	107,136
Asphalt, gravel, shell, and sand	13,300	13,300	24,237	(10,937)	18,299
Street signs and signals	100,000	100,000	52,277	47,723	4,135
Street and traffic lights	140,750	140,750	251,114	(110,364)	215,788
Telephone and utilities	10,000	10,000	12,782	(2,782)	7,302
Rice festival expense	15,000	15,000	11,575	3,425	-
Tree expense	4,400	4,400	1,200	3,200	3,234
Mosquito control	50,000	50,000	44,476	5,524	22,668
Miscellaneous	24,300	24,300	29,994	(5,694)	14,422
Total street department	<u>1,000,561</u>	<u>1,000,561</u>	<u>983,540</u>	<u>17,021</u>	<u>872,652</u>
Total public works	<u>1,528,711</u>	<u>1,528,711</u>	<u>1,769,155</u>	<u>(240,444)</u>	<u>1,308,150</u>
Economic development -					
Mardi Gras Fundraiser	20,000	20,000	16,956	3,044	-
Tourism and promotion	48,500	48,500	83,186	(34,686)	55,453
Total economic development	<u>68,500</u>	<u>68,500</u>	<u>100,142</u>	<u>(31,642)</u>	<u>55,453</u>
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>95,869</u>	<u>(55,869)</u>	<u>48,829</u>
Debt service -					
Principal retirement	108,251	108,251	171,254	(63,003)	245,086
Interest and fiscal charges	6,766	6,766	2,564	4,202	16,351
Total debt service	<u>115,017</u>	<u>115,017</u>	<u>173,818</u>	<u>(58,801)</u>	<u>261,437</u>
Total expenditures	<u>\$ 12,852,251</u>	<u>\$ 12,852,251</u>	<u>\$ 11,088,962</u>	<u>\$ 1,763,289</u>	<u>\$ 10,671,466</u>

CITY OF CROWLEY, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
August 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ 1,433,899	\$ 954,104	\$ 50	\$ 2,388,053
Receivables:				
Accrued interest receivable	96	-	-	96
Due from other funds	14,029	-	-	14,029
Due from other governmental agencies	31,049	-	105,010	136,059
Total assets	\$ 1,479,073	\$ 954,104	\$ 105,060	\$ 2,538,237
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 61,712	\$ -	\$ -	\$ 61,712
Contract payable	-	-	99,759	99,759
Retainage payable	-	-	5,251	5,251
Accrued liabilities	38,170	-	-	38,170
Due to other funds	86,347	-	50	86,397
Total liabilities	186,229	-	105,060	291,289
Fund balances:				
Restricted	1,018,621	954,104	-	1,972,725
Assigned	348,324	-	-	348,324
Unassigned	(74,101)	-	-	(74,101)
Total fund balances	1,292,844	954,104	-	2,246,948
Total liabilities and fund balances	\$ 1,479,073	\$ 954,104	\$ 105,060	\$ 2,538,237

CITY OF CROWLEY, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ 448,278	\$ -	\$ -	\$ 448,278
Intergovernmental	212,042	-	105,010	317,052
Charges for services	541,648	-	-	541,648
Investment income	3,317	1,411	-	4,728
Miscellaneous	50,577	-	-	50,577
Total revenues	<u>1,255,862</u>	<u>1,411</u>	<u>105,010</u>	<u>1,362,283</u>
Expenditures:				
Current -				
General government	48,788	-	-	48,788
Economic development	100	-	-	100
Culture and recreation	1,774,078	-	-	1,774,078
Cemetery	17,474	-	-	17,474
Capital outlay	148,261	-	-	148,261
Debt service -				
Principal retirement	-	330,000	-	330,000
Interest and fiscal charges	-	546,750	-	546,750
Total expenditures	<u>1,988,701</u>	<u>876,750</u>	<u>-</u>	<u>2,865,451</u>
Excess (deficiency) of revenues over expenditures	<u>(732,839)</u>	<u>(875,339)</u>	<u>105,010</u>	<u>(1,503,168)</u>
Other financing sources (uses):				
Transfers in	896,990	1,302,581	-	2,199,571
Transfers out	(86,347)	-	(105,010)	(191,357)
Total financing sources (uses)	<u>810,643</u>	<u>1,302,581</u>	<u>(105,010)</u>	<u>2,008,214</u>
Net changes in fund balances	77,804	427,242	-	505,046
Fund balance, beginning	<u>1,215,040</u>	<u>526,862</u>	<u>-</u>	<u>1,741,902</u>
Fund balance, ending	<u>\$ 1,292,844</u>	<u>\$ 954,104</u>	<u>\$ -</u>	<u>\$ 2,246,948</u>

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.

Hotel/Motel Tax Fund

The Hotel/Motel Tax fund accounts for the receipt and disbursement of the proceeds from the hotel/motel tax.

CITY OF CROWLEY, LOUISIANA
Nonmajor Special Revenue Funds

Combining Balance Sheet
August 31, 2022

	Industrial Inducement Fund	Rice City Civic Center Fund	Youth Recreation Operation Fund	Youth Recreation Building Maintenance Fund
ASSETS				
Cash and interest-bearing deposits	\$ 569,151	\$ 37,834	\$ 22,870	\$ 219,031
Receivables:				
Accrued interest receivable	96	-	-	-
Due from other funds	-	14,029	-	-
Due from other governmental agencies	-	-	-	24,528
Total assets	\$ 569,247	\$ 51,863	\$ 22,870	\$ 243,559
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 61,712	\$ -
Accrued liabilities	-	-	35,259	2,911
Due to other funds	-	-	-	78,306
Total liabilities	-	-	96,971	81,217
Fund balances:				
Restricted	569,247	-	-	162,342
Assigned	-	51,863	-	-
Unassigned	-	-	(74,101)	-
Total fund balance	569,247	51,863	(74,101)	162,342
Total liabilities and fund balance	\$ 569,247	\$ 51,863	\$ 22,870	\$ 243,559

<u>Cemetery Maintenance Fund</u>	<u>Cemetery Development Fund</u>	<u>Motor Vehicle Facility Fund</u>	<u>Main Street Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Total</u>
\$ 295,073	\$ 69,845	\$ 116,685	\$ 1,642	\$ 101,768	\$ 1,433,899
-	-	-	-	-	96
-	-	-	-	-	14,029
-	-	-	-	6,521	31,049
<u>\$ 295,073</u>	<u>\$ 69,845</u>	<u>\$ 116,685</u>	<u>\$ 1,642</u>	<u>\$ 108,289</u>	<u>\$ 1,479,073</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,712
-	-	-	-	-	38,170
<u>8,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,347</u>
<u>8,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,229</u>
287,032	-	-	-	-	1,018,621
-	69,845	116,685	1,642	108,289	348,324
-	-	-	-	-	(74,101)
<u>287,032</u>	<u>69,845</u>	<u>116,685</u>	<u>1,642</u>	<u>108,289</u>	<u>1,292,844</u>
<u>\$ 295,073</u>	<u>\$ 69,845</u>	<u>\$ 116,685</u>	<u>\$ 1,642</u>	<u>\$ 108,289</u>	<u>\$ 1,479,073</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, 2022

	Industrial Inducement Fund	Rice City Civic Center Fund	Youth Recreation Operation Fund	Youth Recreation Building Maintenance Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Taxes	\$ -	\$ -	\$ 237,553	\$ 79,698
Intergovernmental	-	48,088	-	163,954
Charges for services	-	7,599	481,698	-
Investment income	1,674	-	166	2
Miscellaneous	-	242	25,781	24,529
Total revenues	<u>1,674</u>	<u>55,929</u>	<u>745,198</u>	<u>268,183</u>
Expenditures:				
Current -				
General government	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	35,747	1,591,287	147,044
Cemetery	-	-	-	-
Capital outlay	-	-	16,408	131,853
Total expenditures	<u>-</u>	<u>35,747</u>	<u>1,607,695</u>	<u>278,897</u>
Excess (deficiency) of revenues over expenditures	<u>1,674</u>	<u>20,182</u>	<u>(862,497)</u>	<u>(10,714)</u>
Other financing sources (uses):				
Transfers in	-	32,205	744,211	120,574
Transfers out	<u>-</u>	<u>(7,517)</u>	<u>(22,534)</u>	<u>(26,966)</u>
Total financing sources (uses)	<u>-</u>	<u>24,688</u>	<u>721,677</u>	<u>93,608</u>
Net changes in fund balances	1,674	44,870	(140,820)	82,894
Fund balances, beginning	<u>567,573</u>	<u>6,993</u>	<u>66,719</u>	<u>79,448</u>
Fund balances, ending	<u>\$569,247</u>	<u>\$ 51,863</u>	<u>\$ (74,101)</u>	<u>\$ 162,342</u>

<u>Cemetery Maintenance Fund</u>	<u>Cemetery Development Fund</u>	<u>Motor Vehicle Facility Fund</u>	<u>Main Street Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Total</u>
\$ 60,377	\$ -	\$ -	\$ -	\$ 70,650	\$ 448,278
-	-	-	-	-	212,042
-	9,025	43,326	-	-	541,648
1,398	-	77	-	-	3,317
-	25	-	-	-	50,577
<u>61,775</u>	<u>9,050</u>	<u>43,403</u>	<u>-</u>	<u>70,650</u>	<u>1,255,862</u>
-	-	48,788	-	-	48,788
-	-	100	-	-	100
-	-	-	-	-	1,774,078
17,424	50	-	-	-	17,474
-	-	-	-	-	148,261
<u>17,424</u>	<u>50</u>	<u>48,888</u>	<u>-</u>	<u>-</u>	<u>1,988,701</u>
<u>44,351</u>	<u>9,000</u>	<u>(5,485)</u>	<u>-</u>	<u>70,650</u>	<u>(732,839)</u>
-	-	-	-	-	896,990
-	-	(29,330)	-	-	(86,347)
-	-	(29,330)	-	-	810,643
44,351	9,000	(34,815)	-	70,650	77,804
<u>242,681</u>	<u>60,845</u>	<u>151,500</u>	<u>1,642</u>	<u>37,639</u>	<u>1,215,040</u>
<u>\$ 287,032</u>	<u>\$ 69,845</u>	<u>\$ 116,685</u>	<u>\$ 1,642</u>	<u>\$ 108,289</u>	<u>\$ 1,292,844</u>

NONMAJOR DEBT SERVICE FUNDS

2020 Bond Fund

To accumulate monies for payment of the \$14,000,000 Bonds, Series 2020. Debt service is financed by transfers from Sales Tax Fund.

2022 Bond Fund

To accumulate monies for payment of the \$6,000,000 Revenue Bonds, Series 2022. Debt service is financed by transfers from Sales Tax Fund.

CITY OF CROWLEY, LOUISIANA
Nonmajor Debt Service Funds

Combining Balance Sheet
August 31, 2022

	<u>2020 Bond Fund</u>	<u>2022 Bond Fund</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	<u>\$ 685,203</u>	<u>\$ 268,901</u>	<u>\$ 954,104</u>
LIABILITIES AND FUND BALANCE			
Liabilities	\$ -	\$ -	\$ -
Fund balance:			
Restricted	<u>685,203</u>	<u>268,901</u>	<u>954,104</u>
Total liabilities and fund balance	<u>\$ 685,203</u>	<u>\$ 268,901</u>	<u>\$ 954,104</u>

CITY OF CROWLEY, LOUISIANA
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended August 31, 2022

	<u>2020</u> Bond Fund	<u>2022</u> Bond Fund	<u>Total</u>
Revenues			
Investment income	\$ 1,091	\$ 320	\$ 1,411
Expenditures:			
Debt service -			
Principal retirement	330,000	-	330,000
Interest and fiscal charges	<u>546,750</u>	<u>-</u>	<u>546,750</u>
Total expenditures	<u>876,750</u>	<u>-</u>	<u>876,750</u>
Excess (deficiency) of revenues over expenditures	(875,659)	320	(875,339)
Other financing sources:			
Transfers in	<u>1,034,000</u>	<u>268,581</u>	<u>1,302,581</u>
Net change in fund balance	158,341	268,901	427,242
Fund balance, beginning	<u>526,862</u>	<u>-</u>	<u>526,862</u>
Fund balance, ending	<u>\$ 685,203</u>	<u>\$ 268,901</u>	<u>\$ 954,104</u>

NONMAJOR CAPITAL PROJECTS FUND

LCDBG Sewer Improvement Fund

To account for sewer improvements within the City. Improvements are funded by a Local Community Development Block Grant (LCDBG). Expenditures being made with the LCDBG funds are for construction only.

CITY OF CROWLEY, LOUISIANA
Nonmajor Capital Projects Fund
LCDBG Sewer Improvement Fund

Balance Sheet
August 31, 2022

ASSETS

Cash and interest-bearing deposits	\$ 50
Due from other governmental agencies	<u>105,010</u>
Total assets	<u>\$ 105,060</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Contract payable	\$ 99,759
Retainage payable	5,251
Due to other funds	<u>50</u>
Total liabilities	105,060
Fund balance:	
Restricted	<u>-</u>
Total liabilities and fund balance	<u>\$ 105,060</u>

CITY OF CROWLEY, LOUISIANA
Nonmajor Capital Projects Fund
LCDBG Sewer Improvement Fund

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2022

Revenues	
Intergovernmental	\$ 105,010
Expenditures	<u> -</u>
Excess of revenues over expenditures	105,010
Other financing uses:	
Transfers out - construction	<u>(105,010)</u>
Net change in fund balance	-
Fund balance, beginning	<u> -</u>
Fund balance, ending	<u>\$ -</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, 2022

	<u>Workman's Compensation Fund</u>	<u>Employee Benefit Plan Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 515,357	\$ -	\$ 515,357
Due from other funds	<u>41,985</u>	<u>-</u>	<u>41,985</u>
Total assets	<u>557,342</u>	<u>-</u>	<u>557,342</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	33,078	33,078
Claims payable	24,528	27,387	51,915
Due to other funds	<u>50,000</u>	<u>41,985</u>	<u>91,985</u>
Total liabilities	<u>74,528</u>	<u>102,450</u>	<u>176,978</u>
NET POSITION			
Unrestricted	<u>\$ 482,814</u>	<u>\$ (102,450)</u>	<u>\$ 380,364</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, 2022

	<u>Workman's Compensation Fund</u>	<u>Employee Health Insurance Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 390,721	\$ 879,698	\$ 1,270,419
Miscellaneous	<u>46,215</u>	<u>15,984</u>	<u>62,199</u>
Total operating revenues	<u>436,936</u>	<u>895,682</u>	<u>1,332,618</u>
 Operating expenses:			
Insurance premiums	-	272,373	272,373
Claims	218,623	988,467	1,207,090
Loss time	34,720	-	34,720
Professional services	69,126	-	69,126
Miscellaneous	<u>-</u>	<u>126,153</u>	<u>126,153</u>
Total operating expenses	<u>322,469</u>	<u>1,386,993</u>	<u>1,709,462</u>
 Operating income (loss)	 114,467	 (491,311)	 (376,844)
 Nonoperating revenues:			
Investment income	<u>176</u>	<u>-</u>	<u>176</u>
 Income (loss) before transfers	 114,643	 (491,311)	 (376,668)
 Transfers in	 <u>-</u>	 <u>338,969</u>	 <u>338,969</u>
 Change in net position	 114,643	 (152,342)	 (37,699)
 Net position, beginning	 <u>368,171</u>	 <u>49,892</u>	 <u>418,063</u>
 Net position, ending	 <u>\$ 482,814</u>	 <u>\$ (102,450)</u>	 <u>\$ 380,364</u>

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended August 31, 2022

	<u>Workman's Compensation Fund</u>	<u>Employee Benefit Plan Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from insured	\$ -	\$ 879,698	\$ 879,698
Receipts from interfund services provided	390,721	-	390,721
Payments to suppliers	(88,136)	(365,448)	(453,584)
Payments for claims and loss time	(236,680)	(1,022,995)	(1,259,675)
Other receipts	<u>46,215</u>	<u>15,984</u>	<u>62,199</u>
Net cash provided (used) by operating activities	<u>112,120</u>	<u>(492,761)</u>	<u>(380,641)</u>
Cash flows from noncapital financing activities:			
Cash paid to other funds	(41,985)	-	(41,985)
Cash received from other funds	-	41,985	41,985
Transfers in from other funds	<u>-</u>	<u>338,969</u>	<u>338,969</u>
Net cash provided (used) by noncapital financing activities	<u>(41,985)</u>	<u>380,954</u>	<u>338,969</u>
Cash flows from investing activities:			
Purchase of interest-bearing deposits with maturity in excess of ninety days	(234,845)	-	(234,845)
Proceeds of interest-bearing deposits with maturity in excess of ninety days	234,668	-	234,668
Investment income	<u>176</u>	<u>-</u>	<u>176</u>
Net cash used by investing activities	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Net increase (decrease) in cash and cash equivalents	70,134	(111,807)	(41,673)
Cash and cash equivalents, beginning	<u>210,378</u>	<u>111,807</u>	<u>322,185</u>
Cash and cash equivalents, ending	<u>\$ 280,512</u>	<u>\$ -</u>	<u>\$ 280,512</u>

(continued)

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Cash Flows (Continued)
For the Year Ended August 31, 2022

	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)	\$ 114,467	\$ (491,311)	\$ (376,844)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities -			
Increase (decrease) current liabilities			
Accounts payable	(19,010)	33,078	14,068
Claims payable	<u>16,663</u>	<u>(34,528)</u>	<u>(17,865)</u>
Net cash provided (used) by operating activities	<u>\$ 112,120</u>	<u>\$ (492,761)</u>	<u>\$ (380,641)</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	\$ 445,046	\$ 111,807	\$ 556,853
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(234,668)</u>	<u>-</u>	<u>(234,668)</u>
Total cash and cash equivalents	<u>210,378</u>	<u>111,807</u>	<u>322,185</u>
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	515,357	-	515,357
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(234,845)</u>	<u>-</u>	<u>(234,845)</u>
Total cash and cash equivalents	<u>280,512</u>	<u>-</u>	<u>280,512</u>
Net increase (decrease)	<u>\$ 70,134</u>	<u>\$ (111,807)</u>	<u>\$ (41,673)</u>

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

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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 Chad 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, 2022, 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 August 16, 2023.

Report on 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 2022-001 through 2022-005 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 is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2022-006 and 2022-007.

City of Crowley's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City of Crowley, Louisiana's response to the findings identified in our audit and 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
August 16, 2023

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended August 31, 2022

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

A. Internal Control Over Financial Reporting

2022-001 Financial Records/Reconciliations

Fiscal year finding initially occurred: 2018

CONDITION: The City of Crowley failed to adequately reconcile bank accounts, interfund transactions, and other subsidiary ledgers on a monthly basis which resulted in numerous material journal entries being made.

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 have proper procedures in place to reconcile accounts and to close the books each month.

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: It is recommended that the City implement internal controls to ensure that bank accounts, interfund transactions, and subsidiary ledgers 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: In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk and staff with performing bank account reconciliations on all accounts as well as assist in training on how to perform a bank reconciliation both in and outside of the software. Once all reconciliations are current, procedures will be put in place to ensure timely preparation by the City Clerk and review by the outside CPA firm. This will occur in the 2023-2024 fiscal year.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2022

2022-002 Sales Tax Transfers

Fiscal year finding initially occurred: 2021

CONDITION: Sales tax funds have large growing balances in the interfund receivable and payable accounts.

CRITERIA: The City's sales tax monies are dedicated for various purposes and should be transferred timely and accurately to remain in compliance with the sales tax propositions.

CAUSE: Transfers are not being made timely from the main Sales Tax Fund to the other sales tax funds in accordance with the designated purposes.

EFFECT: The City may not prevent sales tax monies from being spent on undesignated purposes.

RECOMMENDATION: Management needs to implement policies and procedures to ensure transfers of sales tax monies are done timely and accurately to remain in compliance with the sales tax propositions.

MANAGEMENT'S CORRECTIVE ACTION PLAN: In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk with setting up policies and procedures across the entire administrative function. This includes implementing a monthly checklist of recurring transactions as part of the month end close to ensure all required transfers are made timely across all funds. This will be implemented prospectively immediately, and a retrospective review of the last year will also be performed, and transfers made as determined to be necessary.

2022-003 Fixed Asset Management

Fiscal year finding initially occurred: 2022

CONDITION: The City of Crowley did not adequately maintain records of additions and dispositions of fixed assets on a regular basis.

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 control over inventory and assets includes those policies and procedures that pertain to the City's ability to maintain records that accurately and fairly reflect the transactions and dispositions of the assets and inventory of the City and it's departments.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2022

CAUSE: The City does not have adequate controls or written policies and procedures established to ascertain that fixed assets are properly maintained and tracked.

EFFECT: Failure to have adequate controls over fixed assets increases the risk that misappropriations of the fixed assets could go undetected.

RECOMMENDATION: The City should implement control procedures to ensure assets are properly monitored and annual inventory or asset inspections reconcile to the City's inventory and/or asset listing.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City Clerk and administrative staff are working to develop a policy for maintaining a perpetual asset inventory listing and updating on an ongoing basis as assets are purchased and/or retired. The policy will include a provision for annual reviews and updates. This should be finalized in the 2023-2024 fiscal year.

2022-004 Policies and procedures for payroll

Fiscal year finding initially occurred: 2022

CONDITION: During test of payroll expenditures, it was noted that several pay increases were given, but there was lack of supporting documentation maintained to support the authorization/approval and amount of the pay increases in personnel files. It was also noted that the City does not have controls or policies and procedures in place regarding the approval process for employee rate of pay or approval or maintenance of pay schedules.

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 control over financial reporting includes 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 financial statements.

CAUSE: The City did not maintain proper supporting documentation of the authorized pay rate for employees.

EFFECT: Use of incorrect pay rate could possibly lead to overpayment and could constitute a prohibited donation of public funds and/or payment of compensation not due.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2022

RECOMMENDATION: It is recommended that the City implements policies and procedures to document the approval process for employee rate of pay - who, what, when and how raises are given. In addition, management needs to ensure proper controls are in place to make sure that each employee's personnel file has the proper support for each employee's authorized rate of pay.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City Clerk, the outside CPA firm and the Payroll/Human Resource Clerk are working on developing a checklist for all items that should be in each personnel file, including proper documentation of pay rate changes including approvals. Current payroll personnel will also begin to review each personnel file of current employees, to ensure the proper documentation is included and if not, will obtain as necessary. The policy will be reviewed annually and updated as necessary.

2022-005 Inadequate segregation of duties

Fiscal year finding initially occurred: 2022

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

CRITERIA: Committee of Sponsoring Organizations (COSO) Internal Control Integrated Framework and the Louisiana Legislative Auditor's Government Auditing Guide.

CAUSE: Some employees are performing incompatible duties.

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

RECOMMENDATIONS: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk with setting up policies and procedures across the entire administrative function. This process will include a review of duties to determine if mitigating controls can be put in place to limit the lack of segregation of duties based on a cost benefit analysis. Changes have been made immediately for areas that were identified and additional changes are ongoing with an expected implementation in the 2023-2024 fiscal year.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2022

B. Compliance

2022-006 Budget noncompliance

CONDITION: Revenues of the General Fund and the 2012 Sales Tax Infrastructure and Improvement Fund failed to meet the total budgeted revenues by more than 5%. In addition, expenditures of the Sales Tax Fund and the Half Cent Sales Tax – Salary Fund exceeded budgeted expenditures by more than 5%.

CRITERIA: LSA-RS 39:1311 et seq, Budget 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 revenues 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 or more.
- (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.”

CAUSE: The condition is a result of failure to properly monitor the revenues and expenditures of the General Fund, Sales Tax Fund, Half Cent Sales Tax – Salary Fund, and the 2012 Sales Tax Infrastructure Improvement Fund.

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.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2022

MANAGEMENT'S CORRECTIVE ACTION PLAN: This compliance finding relates to the previous administration. In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk with setting up policies and procedures across the entire administrative function. These policies will include mechanisms for review of monthly financial statements that include a budget to actual comparison which will be presented to the Council at the monthly meeting. In addition, on a quarterly basis, the City staff, outside CPA firm, the Mayor and the Finance Committee will perform an analysis comparing actual to budgeted amounts and propose amendments to the budget as deemed necessary. This will be implemented during the 2023-2024 fiscal year.

2022-007 Late report issuance

Fiscal year finding initially occurred: 2022

CONDITION: The city failed to submit its annual financial statements to the Legislative Auditors Office by the statutory due date.

CRITERIA: LSA R.S 24:513 states that "audits shall be completed within six months of the close of the entity's fiscal year."

CAUSE: The overall condition of the City's financial records prohibited the City's CPA consultant from providing timely and accurate information to the City's auditors.

EFFECT: The City has violated state laws by failing to submit the audit within six months of the close of the fiscal year.

RECOMMENDATION: The City should take the necessary steps to ensure that all financial records are accurate and made available to the City's auditors in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Under the previous administration, the accounting records were not properly maintained to allow for the preparation of a timely annual audit to meet the requirements of the Louisiana Legislative Auditor. When the new administration took office, an outside CPA firm with extensive governmental experience was hired to work with the audit firm to compile the data necessary for the audit firm to perform the audit and issue an opinion on the financial statements. In addition, the City Clerk and outside CPA are currently working on correcting the financial data of the current year to allow for current, timely financial and to facilitate the 2023-year end audit to ensure the audit is issued within the timeline required. The City has begun the process of converting to new, more efficient, accounting software that will allow more timely

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2022

financial reports and more integration of data. The targeted implementation date is January 2024.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2021-001 Financial Records/Reconciliation

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

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.

CURRENT STATUS: Unresolved. See item 2022-001.

2021-002 Sales Tax Transfers

CONDITION: Sales tax funds have large growing balances in the interfund receivable and payable accounts.

RECOMMENDATION: Management needs to implement policies and procedures to ensure transfers of sales tax monies are done timely and accurately to remain in compliance with the sales tax propositions.

CURRENT STATUS: Unresolved. See item 2022-002

B. Compliance

2021-003 Debt covenant – Sinking fund payments

CONDITION: Sinking fund payments for the Series 2012 and 2013 bonds were not made for the months of July and August 2021.

RECOMMENDATION: We recommend that the City implement procedures to ensure that all required payments are made in compliance with the debt covenants.

CURRENT STATUS: Resolved.



CHAD MONCEAUX
MAYOR

The City of Crowley, Louisiana respectfully submits the following corrective action plan for the year ended August 31, 2022.

CHARLES "CHUCK" ASHBY
ALDERMAN-AT-LARGE

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

COUNCIL MEMBERS

Audit Period: Fiscal year ended August 31, 2022

JEFF DORE
WARD I/DIV. A

The findings from August 31, 2022, 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.

KATIE CHIASSON
WARD I/DIV. B

FINDINGS -FINANCIAL AUDIT

THOMPSON BRADFORD CORE
WARD II/DIV. A

Material Weaknesses

DR. SANDRA "SANDY" MARX
WARD II/DIV. B

2022-001 Financial Records/Reconciliations

RECOMMENDATION: It is recommended 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 "STEP" MARTIN
WARD III/DIV. A

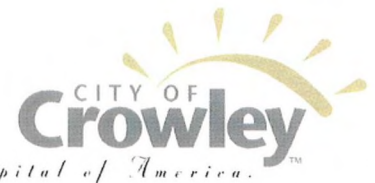
BYRON K. WILRIDGE, SR.
WARD III/DIV. B

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

RICHARD "DICKIE" LATIOLAIS
WARD IV/DIV. A

In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk and staff with performing bank account reconciliations on all accounts as well as assist in training on how to perform a bank reconciliation both in and outside of the software. Once all reconciliations are current, procedures will be put in place to ensure timely preparation by the City Clerk and review by the outside CPA firm. This will occur in the 2023-2024 fiscal year.

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



CHAD MONCEAUX
MAYOR

2022-002

Sales Tax Transfers

CHARLES "CHUCK" ASHBY
ALDERMAN-AT-LARGE

RECOMMENDATION: Management needs to implement policies and procedures to ensure transfers of sales tax monies are done timely and accurately to remain in compliance with the sales tax propositions.

COUNCIL MEMBERS

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

JEFF DORE
WARD I/DIV. A

In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk with setting up policies and procedures across the entire administrative function. This includes implementing a monthly checklist of recurring transactions as part of the month end close to ensure all required transfers are made timely across all funds. This will be implemented prospectively immediately, and a retrospective review of the last year will also be performed, and transfers made as determined to be necessary.

KATIE CHIASSON
WARD I/DIV. B

THOMPSON BRADFORD CORE
WARD II/DIV. A

DR. SANDRA "SANDY" MARX
WARD II/DIV. B

2022-003

Fixed Asset Management

VERNON "STEP" MARTIN
WARD III/DIV. A

RECOMMENDATION: The City should implement control procedures to ensure assets are properly monitored and annual inventory or asset inspections reconcile to the City's inventory and/or asset listing.

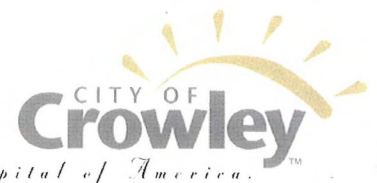
BYRON K. WILRIDGE, SR.
WARD III/DIV. B

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

RICHARD "DICKIE" LATIOLAIS
WARD IV/DIV. A

The City Clerk and administrative staff are working to develop a policy for maintaining a perpetual asset inventory listing and updating on an ongoing basis as assets are purchased and/or retired. The policy will include a provision for annual reviews and updates. This should be finalized in the 2023-2024 fiscal year.

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



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AN EQUAL OPPORTUNITY EMPLOYER

CHAD MONCEAUX
MAYOR

2022-004

Policies and Procedures for Payroll

CHARLES "CHUCK" ASHBY
ALDERMAN-AT-LARGE

RECOMMENDATION: It is recommended that the City implements policies and procedures to document the approval process for employee rate of pay - who, what, when and how raises are given. In addition, management needs to ensure proper controls are in place to make sure that each employee's personnel file has the proper support for each employee's authorized rate of pay.

COUNCIL MEMBERS

JEFF DORE
WARD I/DIV. A

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

KATIE CHIASSON
WARD I/DIV. B

The City Clerk, the outside CPA firm and the Payroll/Human Resource Clerk are working on developing a checklist for all items that should be in each personnel file, including proper documentation of pay rate changes including approvals. Current payroll personnel will also begin to review each personnel file of current employees, to ensure the proper documentation is included and if not, will obtain as necessary. The policy will be reviewed annually and updated as necessary.

THOMPSON BRADFORD CORE
WARD II/DIV. A

DR. SANDRA "SANDY" MARX
WARD II/DIV. B

VERNON "STEP" MARTIN
WARD III/DIV. A

2022-005

Inadequate Segregation of Duties

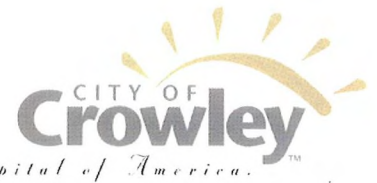
BYRON K. WILRIDGE, SR.
WARD III/DIV. B

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

RICHARD "DICKIE" LATTIOLAIS
WARD IV/DIV. A

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

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:



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CHAD MONCEAUX
MAYOR

CHARLES "CHUCK" ASHBY
ALDERMAN-AT-LARGE

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

RICHARD "DICKIE" LATIOLAIS
WARD IV/DIV. A

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

In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk with setting up policies and procedures across the entire administrative function. This process will include a review of duties to determine if mitigating controls can be put in place to limit the lack of segregation of duties based on a cost benefit analysis. Changes have been made immediately for areas that were identified and additional changes are ongoing with an expected implementation in the 2023-2024 fiscal year.

Compliance

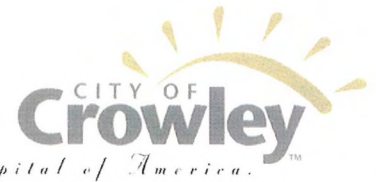
2022-006

Budget Noncompliance

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

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

This compliance finding relates to the previous administration. In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience to assist the City Clerk with setting up policies and procedures across the entire administrative function. These policies will include mechanisms for review of monthly financial statements that include a budget to actual comparison which will be presented to the Council at the monthly meeting. In addition, on a quarterly basis, the City staff, outside CPA firm, the Mayor and the Finance Committee will perform an analysis comparing actual to budgeted amounts and propose amendments to the budget as deemed necessary. This will be implemented during the 2023-2024 fiscal year.



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CHAD MONCEAUX
MAYOR

2022-007

Late report issuance

RECOMMENDATION: The City should take the necessary steps to ensure that all financial records are accurate and made available to the City's auditors in a timely manner.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

Under the previous administration, the accounting records were not properly maintained to allow for the preparation of a timely annual audit to meet the requirements of the Louisiana Legislative Auditor. When the new administration took office, an outside CPA firm with extensive governmental experience was hired to work with the audit firm to compile the data necessary for the audit firm to perform the audit and issue an opinion on the financial statements. In addition, the City Clerk and outside CPA are currently working on correcting the financial data of the current year to allow for current, timely financial and to facilitate the 2023-year end audit to ensure the audit is issued within the timeline required. The City has begun the process of converting to new, more efficient, accounting software that will allow more timely financial reports and more integration of data. The targeted implementation date is January 2024.

CHARLES "CHUCK" ASHBY
ALDERMAN-AT-LARGE

COUNCIL MEMBERS

JEFF DORE
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KATIE CHIASSON
WARD I/DIV. B

THOMPSON BRADFORD CORE
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WARD III/DIV. A

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

RICHARD "DICKIE" LATIOLAIS
WARD IV/DIV. A

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

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

Sincerely,

Chad Monceaux
Mayor

City of Crowley

Crowley, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period September 1, 2021 through August 31, 2022

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

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WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Chad Monceaux, Mayor,
and City Council Members of City of Crowley
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period September 1, 2021 through August 31, 2022. City of Crowley's (the City) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period September 1, 2021 through August 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the Parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Written Policies and Procedures:

Written policies and procedures did not address Information Technology Disaster Recovery/Business Continuity. Written policies and procedures did not address maintaining documentation for all bids and price quotes, the approval process for employee rate of pay, the approval or maintenance of pay schedules, types of services requiring written contracts, standard terms and conditions for contracts, monitoring process for contracts, system to monitor possible ethics violations, requirement that all employees annually attest through signature that they have read the City's ethics policy, sexual harassment annual employee training and sexual harassment annual reporting.

Bank Reconciliations:

5 out of the 5 bank reconciliations tested were not prepared within 2 months of the related statement closing date. 5 out of the 5 bank reconciliations tested did not include evidence of management review. One bank reconciliation had outstanding items greater than 12 months with no evidence of research of outstanding items.

Disbursements:

The employee responsible for processing payments adds/modifies vendor files.

Ethics:

1 out of the 5 employees tested had not completed one hour of ethics training during the fiscal period.

Sexual Harassment:

The City did not post its sexual harassment policy and complaint procedures on the City's website.

4 out of the 5 employees tested had not completed one hour of sexual harassment training during the fiscal period.

Management's Response:

In January 2023 the new administration took office and immediately hired an outside CPA firm with extensive governmental experience, to assist the City with evaluation of current policies, development of missing policies, and other recommendations. The firm was also hired to assist the current administrative staff with “catching up” the financial records to allow for current financial reporting. As part of this process, the exceptions noted in this report will be reviewed and procedures put in place to correct as soon as possible. Based on the delayed issuance of this report, implementation will occur in the 2023-2024 fiscal year.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 16, 2023