CITY OF CROWLEY, LOUISIANA

Financial Report

For the Year Ended August 31, 2018

TABLE OF CONTENTS

(continued)

TABLE OF CONTENTS (continued)

(continued)

TABLE OF CONTENTS (continued)

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

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

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

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

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

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

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

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

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crowley, Louisiana, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crowley, Louisiana, as of August 31, 2018, 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.

Change in Accounting Principle

As described in Note 23 to the financial statements, in 2018, the City of Crowley adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 81 through 95, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Crowley, Louisiana's financial statements. The other supplementary information on pages 99 through 119 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2019 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Crowley, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
February 27, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

CITY OF CROWLEY, LOUISIANA

Statement of Net Position
August 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	$ 6,436,155	$ 574,206	$ 7,010,361
Investments	5,590,959	-	5,590,959
Receivables, net	1,112,849	113,292	1,226,141
Due from other governmental units	10,377	-	10,377
Internal balances	716,790	(716,790)	-
Restricted assets:			
Interest-bearing deposits	80,610	551,605	632,215
Capital assets			
Non-depreciable	662,989	161,482	824,471
Depreciable, net	17,870,242	13,372,912	31,243,154
Total assets	32,480,971	14,056,707	46,537,678
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	1,979,588	129,144	2,108,732
Deferred outflows of resources - OPEB	44,672	2,719	47,391
Total deferred outflows of resources	2,024,260	131,863	2,156,123

(continued)

CITY OF CROWLEY, LOUISIANA

Statement of Net Position (Continued)
August 31, 2018

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts, salaries and other payables	$ 406,839	$ 28,844	$ 435,683
Contracts payable	-	181,641	181,641
Claims payable	101,269	-	101,269
Due to others	34,659	-	34,659
Accrued interest payable	54,761	-	54,761
Long-term liabilites			
Other post employment benefits payable	1,139,541	69,360	1,208,901
Net pension liability	11,459,780	647,808	12,107,588
Due within one year	516,245	291,000	807,245
Due in more than one year	3,714,695	3,037,389	6,752,084
Total liabilities	17,427,789	4,256,042	21,683,831
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	1,054,362	43,303	1,097,665
Deferred inflows of resources - OPEB	39,636	2,413	42,049
Total deferred inflows of resources	1,093,998	45,716	1,139,714
NET POSITION			
Net investment in capital assets	14,302,291	10,206,005	24,508,296
Restricted for:			
Debt service	352,223	260,605	612,828
Sales tax dedications	9,143,803	-	9,143,803
Unrestricted	(7,814,873)	(579,798)	(8,394,671)
Total net position	$ 15,983,444	$ 9,886,812	$ 25,870,256

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

CITY OF CROWLEY, LOUISIANA

Statement of Activities
For the Year Ended August 31, 2018

Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 2,062,441	$ 710,767	$ -	$ -	$ (1,351,674)	$ -	$ (1,351,674)
Public safety	7,498,513	42,717	494,528	1,111,037	(5,850,231)	-	(5,850,231)
Public works	2,248,614	-	-	186,984	(2,061,630)	-	(2,061,630)
Economic development	109,344	-	-	-	(109,344)	-	(109,344)
Culture and recreation	1,236,131	247,300	-	-	(988,831)	-	(988,831)
Cemetery	66,777	3,500	-	-	(63,277)	-	(63,277)
Interest on long-term debt	179,132	-	-	-	(179,132)	-	(179,132)
Total governmental activities	13,400,952	1,004,284	494,528	1,298,021	(10,604,119)	-	(10,604,119)
Business-type activities:							
Sewer	2,322,121	1,597,438	-	553,703	-	(170,980)	(170,980)
Total	15,723,073	2,601,722	494,528	1,851,724	(10,604,119)	(170,980)	(10,775,099)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					1,990,151	256,570	2,246,721
Sales and use taxes, levied for general purposes					7,674,216	-	7,674,216
Payment in lieu of taxes					10,000	-	10,000
Franchise taxes					917,161	-	917,161
2% Fire insurance proceeds					53,256	-	53,256
Grants and contributions not restricted to specific programs -							
State sources					393,412	-	393,412
Interest and investment earnings					187,463	1,324	188,787
Miscellaneous					186,577	-	186,577
Nonemployer pension contribution					312,611	9,759	322,370
Appropriation to other governmental entities					(990,571)	-	(990,571)
Loss on disposal of capital assets					-	(53,874)	(53,874)
Transfers					154,026	(154,026)	-
Total general revenues and transfers					10,888,302	59,753	10,948,055
Change in net position					284,183	(111,227)	172,956
Net position - beginning, restated					15,699,261	9,998,039	25,697,300
Net position - ending					$ 15,983,444	$ 9,886,812	$ 25,870,256

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

FUND FINANCIAL STATEMENTS (FFS)

CITY OF CROWLEY, LOUISIANA

Balance Sheet
Governmental Funds
August 31, 2018

	General Fund	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund
ASSETS			
Cash and interest-bearing deposits	$ 1,283,044	$ 608,698	$ 981,643
Investments	786,429	-	-
Receivables:			
Taxes receivable	140,988	204,434	68,128
Accrued interest receivable	414	305	-
Due from other funds	718,991	-	330,338
Due from other governmental units	-	-	-
Total assets	$ 2,929,866	$ 813,437	$ 1,380,109
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 119,975	$ -	$ -
Accrued liabilities	250,301	-	-
Due to other funds	2,069	298,000	82,576
Due to others	34,659	-	-
Total liabilities	407,004	298,000	82,576
Fund balances:			
Restricted	-	515,437	1,297,533
Assigned	89,539	-	-
Unassigned	2,433,323	-	-
Total fund balances	2,522,862	515,437	1,297,533
Total liabilities and fund balances	$ 2,929,866	$ 813,437	$ 1,380,109

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

2012 Sales Tax - Infrastructure Improvement Fund	Other Governmental Funds	Totals
$ 1,777,734	$ 1,581,335	$ 6,232,454
4,804,530	-	5,590,959
68,128	-	481,678
-	128	847
50,238	300	1,099,867
-	10,377	10,377
$ 6,700,630	$ 1,592,140	$ 13,416,182
$ -	$ 20,678	$ 140,653
-	15,894	266,195
-	734	383,379
-	-	34,659
-	37,306	824,886
6,700,630	1,329,310	9,842,910
-	225,524	315,063
-	-	2,433,323
6,700,630	1,554,834	12,591,296
$ 6,700,630	$ 1,592,140	$ 13,416,182

PAGE INTENTIONALLY LEFT BLANK

CITY OF CROWLEY, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended August 31, 2018

Total fund balances for governmental funds		$ 12,591,296
Capital assets, net		18,533,231
Long-term liabilities:		
Bonds and capital lease payable	(4,230,940)	
OPEB obligation payable	(1,139,541)	
Net pension liability	(11,459,780)	
Accrued interest payable	(54,761)	(16,885,022)
Deferred outflows of resources related to net pension liability		1,979,588
Deferred inflows of resources related to net pension liability		(1,054,362)
Deferred outflows of resources related to total OPEB liability		44,672
Deferred inflows of resources related to total OPEB liability		(39,636)
Sales taxes		630,203
Net position of the Internal Service Funds		183,474
Total net position of governmental activities		$ 15,983,444

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, 2018

	General Fund	Sales Tax Fund	One-Half Cent Sales Tax - Salary Fund
Revenues:			
Taxes	$ 2,569,126	$ 4,567,473	$ 1,522,491
Licenses and permits	598,007	-	-
Intergovernmental	2,191,649	-	-
Charges for services	33,223	-	-
Fines and fees	42,717	-	-
Investment income	41,881	1,264	3,804
Net increase (decrease) in fair value of investments	(14,646)	-	-
Miscellaneous	178,397	-	-
Total revenues	5,640,354	4,568,737	1,526,295
Expenditures:			
Current -			
General government	1,588,170	73,278	26,321
Public safety	6,535,614	-	-
Public works	1,612,464	-	-
Economic development	94,159	-	-
Culture and recreation	-	-	-
Cemetery	-	-	-
Capital outlay	1,352,376	-	-
Debt service -			
Principal retirement	174,806	-	-
Interest and fiscal charges	8,628	-	-
Total expenditures	11,366,217	73,278	26,321
Excess (deficiency) of revenues over expenditures	(5,725,863)	4,495,459	1,499,974
Other financing sources (uses):			
Transfers in	6,269,207	-	-
Transfers out	(422,494)	(4,740,537)	(1,441,664)
Total other financing sources (uses)	5,846,713	(4,740,537)	(1,441,664)
Net changes in fund balances	120,850	(245,078)	58,310
Fund balances, beginning	2,402,012	760,515	1,239,223
Fund balances, ending	$ 2,522,862	$ 515,437	$ 1,297,533

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

2012 Sales Tax Infrastructure Improvement Fund	Other Governmental Funds	Totals
$ 1,522,491	$ 348,186	$ 10,529,767
-	-	598,007
-	47,568	2,239,217
-	330,337	363,560
-	-	42,717
-	2,873	49,822
151,901	-	137,255
-	8,180	186,577
1,674,392	737,144	14,146,922
28,461	24,442	1,740,672
-	-	6,535,614
-	-	1,612,464
-	1,648	95,807
-	1,032,871	1,032,871
-	58,889	58,889
-	134,596	1,486,972
-	295,000	469,806
-	173,047	181,675
28,461	1,720,493	13,214,770
1,645,931	(983,349)	932,152
-	1,192,048	7,461,255
(600,000)	(102,534)	(7,307,229)
(600,000)	1,089,514	154,026
1,045,931	106,165	1,086,178
5,654,699	1,448,669	11,505,118
$ 6,700,630	$ 1,554,834	$ 12,591,296

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2018

Change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		$ 1,086,178
Capital assets:		
Capital outlay	$ 1,486,972	
Appropriation to other governmental entities	(990,571)	
Depreciation expense	(1,400,348)	(903,947)
Long-term debt:		
Principal payments		477,437
Net revenue (expense) of the Internal Service Fund		(184,817)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		2,543
Sales taxes, net effect of adjustments		60,102
Effect of the change in net pension liability, total OPEB liability, and related deferred outflows/inflows of resources:		
Increase in pension expense	(542,964)	
Nonemployer pension contribution revenue recognized	312,611	
Net effect of OPEB adjustments	(22,960)	(253,313)
Change in net position per Statement of Activities		$ 284,183

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

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
Statement of Net Position
August 31, 2018

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and interest-bearing deposits	$ 574,206	$ 284,311
Receivables:		
Accounts	113,292	-
Interest	-	130
Due from other funds	-	302
Total current assets	687,498	284,743
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	551,605	-
Capital assets, net of accumulated depreciation	13,534,394	-
Total noncurrent assets	14,085,999	-
Total assets	14,773,497	284,743
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pensions	129,144	-
Deferred outflows of resources - OPEB	2,719	-
Total deferred outflows of resources	131,863	-

(continued)

CITY OF CROWLEY, LOUISIANA

Proprietary Funds
Statement of Net Position (Continued)
August 31, 2018

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
LIABILITIES		
Current liabilities:		
Accounts payable	$ 11,403	$ -
Due to other funds	716,790	-
Contract payable	181,641	-
Claims payable	-	101,269
Accrued liabilities	17,441	-
Payable from restricted assets -		
Bonds payable	291,000	-
Total current liabilities	1,218,275	101,269
Noncurrent liabilities:		
Bonds payable	3,037,389	-
OPEB obligation payable	69,360	-
Net pension liability	647,808	-
Total noncurrent liabilities	3,754,557	-
Total liabilities	4,972,832	101,269
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pensions	43,303	-
Deferred inflows of resources - OPEB	2,413	-
Total deferred inflows of resources	45,716	-
NET POSITION		
Net investment in capital assets	10,206,005	-
Restricted for debt service	260,605	-
Unrestricted	(579,798)	183,474
Total net position	$ 9,886,812	$ 183,474

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, 2018

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Operating revenues:		
Charges for services	$ 1,597,438	$ 1,495,041
Other	-	216,548
Total operating revenues	1,597,438	1,711,589
Operating expenses:		
Salaries and wages	311,930	-
Payroll taxes	4,888	-
Retirement	101,460	-
Group insurance	86,668	-
General insurance	35,123	374,675
Claims	-	1,386,053
Telephone and utilities	137,636	-
Professional services	83,783	46,156
Collection fees	45,420	-
Bad debts	34,036	-
Depreciation	1,021,934	-
Gas and oil	23,205	-
Repairs and supplies	308,923	-
Pretreatment and inspections	28,010	-
Miscellaneous	28,502	90,243
Total operating expenses	2,251,518	1,897,127
Operating loss	(654,080)	(185,538)
Nonoperating revenues (expenses):		
Tax revenue	256,570	-
Interest income	1,324	721
Interest expense and other fiscal charges	(70,603)	-
Nonemployer pension contribution	9,759	-
Loss on disposal of capital assets	(53,874)	-
Total nonoperating revenues (expenses)	143,176	721
Loss before capital contributions and transfers	(510,904)	(184,817)
Capital contributions	553,703	-
Transfers in	400,013	-
Transfers out	(554,039)	-
Change in net position	(111,227)	(184,817)
Net position, beginning, restated	9,998,039	368,291
Net position, ending	$ 9,886,812	$ 183,474

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, 2018

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	$ 1,601,080	$ -
Receipts from insured	-	260,622
Receipts from interfund services provided	-	1,234,419
Payments to suppliers	(1,017,994)	(511,074)
Payments for claims and loss time	-	(1,408,774)
Payments to employees	(482,441)	-
Other receipts	-	226,397
Net cash provided (used) by operating activities	100,645	(198,410)
Cash flows from noncapital financing activities:		
Proceeds from taxes levied	256,570	-
Cash received from other funds	454,425	-
Transfers from other funds	400,013	-
Transfers to other funds	(554,039)	-
Net cash provided by noncapital financing activities	556,969	-
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds payable	(452,000)	-
Interest and fiscal charges paid on revenue bonds payable	(102,628)	-
Grants and other contributions	1,412,824	-
Acquisition of property, plant and equipment	(1,805,308)	-
Net cash used by capital and related financing activities	(947,112)	-
Cash flows from investing activities:		
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	-	(232,208)
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	-	231,289
Interest on deposits	1,324	721
Net cash provided (used) by investing activities	1,324	(198)
Net increase (decrease) in cash and cash equivalents	(288,174)	(198,608)
Cash and cash equivalents, beginning of year	1,413,985	251,022
Cash and cash equivalents, end of year	$ 1,125,811	$ 52,414

(continued)

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

CITY OF CROWLEY, LOUISIANA

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended August 31, 2018

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	$ (654,080)	$ (185,538)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,021,934	-
Provision for net pension liability, net	29,809	-
Provision for OPEB liability	(2,759)	-
(Increase) decrease current assets:		
Accounts receivable	3,642	9,849
Increase (decrease) current liabilities:		
Accounts payable	(293,356)	-
Accrued liabilities	(4,545)	-
Claims payable	-	(22,721)
Net cash provided (used) by operating activities	$ 100,645	$ (198,410)
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	$ 708,862	$ 482,311
Cash and interest-bearing deposits - restricted	705,123	-
Less: Interst-bearing deposits with maturity in excess of 90 days	-	(231,289)
Total cash and cash equivalents	1,413,985	251,022
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	574,206	284,311
Cash and interest-bearing deposits - restricted	551,605	-
Less: Interst-bearing deposits with maturity in excess of 90 days	-	(231,897)
Total cash and cash equivalents	1,125,811	52,414
Net increase (decrease)	$ (288,174)	$ (198,608)

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

CITY OF CROWLEY, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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.

One-Half Cent Sales Tax – Salary Fund

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

2012 Sales Tax – Infrastructure Improvement Fund

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

Enterprise Fund –

Utility Fund

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

In addition, the City reports the following:

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

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

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

Program revenues

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

Allocation of indirect expenses

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

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

Cash, interest-bearing deposits, and investments

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

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

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

Investments

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

Interfund receivables and payables

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

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, 2018, 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 $1,500 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.

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, 2018 is determined immaterial.

All persons employed full-time by the City shall be entitled to a 15 day sick leave during each calendar year, which leave may be accumulated for a two-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 two 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, 2018, the City has no material accumulated leave benefits required to be reported.

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.

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.

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, 2018, fund balances are composed of the following:

	Restricted	Assigned	Unassigned	Total
Major Funds				
General -				
Collision losses	$ -	$ 89,539	$ -	$ 89,539
Other	-	-	2,433,323	2,433,323
Sales Tax Fund	515,437	-	-	515,437
One-Half Cent Sales Tax -				
Salary Fund	1,297,533	-	-	1,297,533
2012 Sales Tax - Infrastructure				
Improvement Fund	6,700,630	-	-	6,700,630
Nonmajor funds	1,329,310	225,524	-	1,554,834
Totals	$ 9,842,910	$ 315,063	$ 2,433,323	$ 12,591,296

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.

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.

E. Revenue Restrictions

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

Revenue Source	Legal Restrictions of Use
Ad valorem tax (30.25 mills)	See Note 2
Sales tax	See Note 3
Sewer revenues	See Note 13

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

F. Capitalization of Interest Expenses

It is the policy of the City of Crowley to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At August 31, 2018, there was no capitalized interest expense. Interest expensed at August 31, 2018 was $252,278.

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, (described in more detail in Note 14), 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, (described in more detail in Note 20) 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, 2018, 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	5.00	mills
Total	30.25	mills

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

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

1% Sales and Use Tax -

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

.5% Sales and Use Tax -

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

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

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

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

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

1. Acquiring, constructing, maintaining and improving infrastructure and capital improvements within the City, and

2. To fund the proceeds of the tax into bonds to be issued in series from time to time for such purposes.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-Bearing Deposits

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

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The City does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at August 31, 2018, are secured as follows:

Bank balances	$ 9,020,562
Federal deposit insurance	1,769,431
Uninsured and collateral held by the pledging bank, not in the City's name	7,251,131
Total	$ 9,020,562

B. Investments

At August 31, 2018, 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)	3.01%	$ 104,843	$ (2,048)	$ 102,795
Federal National Mortgage Association (FNMA)	2.12% - 2.50%	105,004	(84)	104,920
Federal Farm Credit Banks (FFCB)	3.33%	24,037	(1,955)	22,082
Mortgage Backed Securities:				
Government National Mortgage Corporation (GNMA)	5.0% - 6.50%	2,446,183	(128,967)	2,317,216
Federal Home Loan Mortgage Corporation (FHLMC)	5.0% - 6.50%	1,727,116	(58,249)	1,668,867
Federal National Mortgage Association (FNMA)	3.0% - 7.50%	1,441,661	(66,582)	1,375,079
		$ 5,848,844	$ (257,885)	$ 5,590,959

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:

		Investment Maturities (in Years)			
Description	Fair Value	Less than 1	1-5	6-10	Over 10
Government and Agency Securities:					
FHLMC	$ 102,795	$ -	$ -	$ 102,795	$ -
FNMA	104,920	-	-	104,920	-
FFCB	22,082	-	-	-	22,082
Mortgage Backed Securities:					
GNMA	2,317,216	-	377	2,526	2,314,313
FHLMC	1,668,867	-	9,356	4,105	1,655,406
FNMA	1,375,079	-	3,095	50,859	1,321,125
	$ 5,590,959	$ -	$ 12,828	$ 265,205	$ 5,312,926

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, 2018, the City held investments of $5,590,959 of which the underlying securities are held by the counterparty's trust department, not in the City's name.

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

The City has recurring fair value measurements of $5,590,959 as of August 31, 2018, 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 of more of a portfolio are as follows:

	Rating	Amount
Federal National Mortgage Association	AA	1,375,079
Federal Home Loan Mortgage Corporation	AA	1,668,867

(5) Receivables

Receivables at August 31, 2018 consist of the following:

	Accounts	Taxes	Franchise Fees	Interest	Total
Governmental activities:					
General Fund	$ -	$ -	$ 140,988	$ 414	$ 141,402
Sales Tax Fund	-	582,778	-	305	583,083
1/2 Cent Sales Tax - Salary Fund	-	194,053	-	-	194,053
2012 Sales Tax - Infrastructure Improvement	-	194,053	-	-	194,053
Internal Service Fund	-	-	-	130	130
Other governmental funds	-	-	-	128	128
Business-type activities:		-			
Utility Fund	113,292	-	-	-	113,292
Totals	$ 113,292	$ 970,884	$ 140,988	$ 977	$ 1,226,141

(6) Restricted Assets

Restricted assets consisted of the following at August 31, 2018:

Governmental activities:	
LCDA bond refunding sinking fund	$ 78,274
Donations for Glady Trahan Tennis Court	2,336
Total governmental activities	80,610
Business-type activities:	
Sewer Revenue Bond and Interest Sinking Fund	551,605
Total restricted assets	$ 632,215

(7) Capital Assets

Capital asset activity for the year ended August 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 662,989	$ -	$ -	$ 662,989
Capital assets being depreciated:				
Land improvements	107,576	-	-	107,576
Buildings and improvements	8,378,029	-	-	8,378,029
Infrastructure	16,532,632	77,100	-	16,609,732
Machinery and equipment	3,406,290	293,117	-	3,699,407
Autos and trucks	3,198,566	126,184	-	3,324,750
Total capital assets being depreciated	31,623,093	496,401	-	32,119,494
Less accumulated depreciation				
Land improvements	55,936	5,379	-	61,315
Buildings and improvements	4,073,804	295,310	-	4,369,114
Infrastructure	3,554,762	569,052	-	4,123,814
Machinery and equipment	2,642,965	245,473	-	2,888,438
Autos and trucks	2,521,437	285,134	-	2,806,571
Total accumulated depreciation	12,848,904	1,400,348	-	14,249,252
Total capital assets being depreciated, net	18,774,189	(903,947)	-	17,870,242
Governmental activities, capital assets, net	$ 19,437,178	$ (903,947)	$ -	$ 18,533,231

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 161,482	$ -	$ -	$ 161,482
Construction in progress	2,395,221	1,768,886	4,164,107	-
Total capital assets not being depreciated	2,556,703	1,768,886	4,164,107	161,482
Capital assets being depreciated:				
Buildings and improvements	4,271	-	-	4,271
Sewer plant	27,052,342	4,282,795	98,733	31,236,404
Machinery and equipment	381,944	-	8,671	373,273
Autos and trucks	318,167	-	-	318,167
Total capital assets being depreciated	27,756,724	4,282,795	107,404	31,932,115
Less accumulated depreciation				
Buildings and improvements	1,201	106	-	1,307
Sewer plant	17,054,138	981,039	44,859	17,990,318
Machinery and equipment	267,201	22,667	8,671	281,197
Autos and trucks	268,259	18,122	-	286,381
Total accumulated depreciation	17,590,799	1,021,934	53,530	18,559,203
Total capital assets being depreciated, net	10,165,925	3,260,861	53,874	13,372,912
Business-type activities, capital assets, net	$ 12,722,628	$ 5,029,747	$ 4,217,981	$ 13,534,394

Depreciation expense was charged to governmental activities as follows:

General government	$ 248,608
Public safety	374,765
Public works	584,169
Economic development	13,537
Culture and recreation	175,266
Cemetery	4,003
Total depreciation expense	$ 1,400,348

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

Sewer	$ 1,021,934

(8) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at August 31, 2018:

	Governmental Activities	Business-type Activities	Total
Accounts	$ 140,644	$ 11,403	$ 152,047
Payroll liabilities	266,195	17,441	283,636
Totals	$ 406,839	$ 28,844	$ 435,683

(9) Long-Term Liabilities

Long-term liabilities at August 31, 2018 are comprised of the following individual issues:

Governmental activities –

Bonds payable:

$5,780,000 Louisiana Local Government Environmental Facilities and Community Development Authority - Revenue Refunding Bonds, Series 2011 due in annual installments of $75,000 to $360,000 through November 1, 2029, at a variable interest rate of 2% to 4.625%. The debt will be retired from excess annual revenue.	$ 3,945,000
$1,500,000 Lowes Home Center, Inc. Certificate of Indebtedness, Series 2006 due in varying annual principal payments contingent upon actual sales tax revenue collected resulting from the sales by the new Lowe's Home Center located in the Julia J. John Subdivision, non interest-bearing. Final payment is due in the year 2017 for sales taxes collected in 2016.	141,260
Total bonds payable	$ 4,086,260

Business-type activities –

Revenue bonds payable:

$3,590,000 Sewer Revenue Refunding Bonds, Series 2012, due in annual installments of $170,000 to $250,000 through September, 2028; interest rate of 2.44%; to be retired from excess annual sewer revenues.	$ 2,240,000
$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.	1,088,389
Total business-type activities long-term liabilities	$ 3,328,389

The long-term liabilities are due as follows:

	Governmental Activities		Business-type Activities		
Year Ending August 31,	Principal Payments	Interest Payments	Principal Payments	Interest Payments	Total
2019	$ 436,260	$ 159,282	$ 291,000	$ 64,996	$ 951,538
2020	305,000	147,282	297,000	59,251	808,533
2021	310,000	134,982	303,000	53,375	801,357
2022	315,000	122,482	313,000	47,368	797,850
2023	320,000	109,782	314,000	41,116	784,898
2024 - 2028	1,685,000	346,452	1,670,000	107,693	3,809,145
2029 - 2033	715,000	32,963	140,389	1,717	890,069
Totals	$ 4,086,260	$ 1,053,225	$ 3,328,389	$ 375,516	$ 8,843,390

Changes in General Long-Term Liabilities

During the year ended August 31, 2018, the following changes occurred in long-term liabilities transactions and balances:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable -					
Revenue Refunding Bonds, Series 2011	$ 4,240,000	$ -	$ 295,000	$ 3,945,000	$ 295,000
Lowe's Certificate of Indebtedness, Series 2006	143,263	-	2,003	141,260	141,260
Total governmental activities	$ 4,383,263	$ -	$ 297,003	$ 4,086,260	$ 436,260
Business-type activities:					
Sewer Revenue Refunding Bonds, Series 2012	$ 2,625,000	$ -	$ 385,000	$ 2,240,000	$ 200,000
Wastewater Revenue Bonds, Series 2013	1,155,389	-	67,000	1,088,389	91,000
Total business-type activities	$ 3,780,389	$ -	$ 452,000	$ 3,328,389	$ 291,000

(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, 2018, amounts drawn to date totaled $1,224,390.

(11) Outstanding Letter of Credit

At August 31, 2018 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, 2018.

(13) Employee Retirement

Substantially all City employees are covered under the Municipal Employees' Retirement System of Louisiana except police, firemen, and judges, who are covered under the Municipal Police Employees' Retirement System, the Firefighters' Retirement System and the Louisiana State Employees' Retirement System, respectively. Details concerning these plans follow:

A. Municipal Employees' Retirement System of Louisiana

Plan description: The Municipal Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer public employee retirement system (PERS) as 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.

The Municipal Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

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 five (5) years of creditable service eligible for disability benefits.

4. Survivor's benefits require five (5) years creditable service with legal spouse at least 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).

5. Any age with 20 years of creditable service, exclusive of military service 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 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.

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) or more years of creditable service.
4. Any age with twenty-five (25) years of creditable service with an actuarially reduced early benefit.
5. Survivor's benefits require five or more years of creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).

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.

Any member of Plan A who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

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.

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 forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

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.

Employer Contributions: Contributions for all members are established by statute. Member contributions are at 9.50% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2018, the employer contribution rate was 24.75% for Plan A.

In accordance with state statute, the System receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes. The System also receives state revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2018 , the City reported a liability of $3,912,572 for its proportionate share of the net pension liability, of which $3,264,764 and $647,808 was reported in the governmental activities and business-type activities, respectively. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, actuarially determined. At June 30, 2018, the City's proportion was .944911%, which was decrease of .038965% from its proportion measured as of June 30, 2017.

For the year ended August 31, 2018, the City recognized pension expense of $535,425 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $15,793.

At August 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ -	$ 116,077	$ -	$ 23,032
Change of assumptions	98,279		19,501	
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	102,158	-	20,270
Net differences between projected and actual earnings on plan investments	500,303	-	99,274	-
Contributions subsequent to the measurement date	52,266	-	10,369	-
Total	$ 650,848	$ 218,234	$ 129,144	$ 43,303

Deferred outflows of resources of $62,635 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended August 31, 2019. 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:	
2019	$ 260,394
2020	125,408
2021	52,883
2022	17,135
	$ 455,820

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.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.

The actuarial assumptions used in the June 30, 2018 valuation was based on the results of an experience study for the period July 2009 through June 30, 2014.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.275%
Salary Increases, including Inflation and merit increases	5.0%
Inflation rate	2.6%
Annuitant and Beneficiary Mortality	RP-2000 Healthy Annuitant Sex Distinct Mortality Table set forward 2 years for males and 1 year for females projected to 2028 using scale AA
Employee Mortality	RP-2000 Employees Sex Distinct Table set back 2 years for both males and females
Disabled lives mortality	RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females

Expected Remaining Service Lives	3 years for Plan A

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.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Rate of Return
Public equity	50%	2.20%
Public fixed income	35%	1.50%
Alternatives	15%	0.60%
Totals	100%	4.30%
Inflation		2.70%
Expected Artithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.275% for the years ended June 30, 2018. 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, which are calculated in accordance with relevant statutes and approved by Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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 presents the net pension liability of the participating employer calculated using the discount rate of 7.275%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2018:

	1% Decrease 6.275%	Current Discount Rate 7.275%	1% Increase 8.275%
Net Pension Liability	$ 5,026,055	$ 3,912,572	$ 2,962,175

B. Municipal Police Employees' Retirement System of Louisiana

Plan Description: The Municipal Police Employees' Retirement System (the System) is the administrator of a cost-sharing multiple-employer plan. 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.

The Municipal Police Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the audit report can be found on the System's website: www.lampers.org or on the Louisiana Legislative Auditor's website, www.lla.state.la.us.

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.

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 statues, 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.

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

If the member elects a money market investment return, the funds are transferred to a government money market account.

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.

Employer Contributions: Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended August 31, 2018, total contributions due from employers and employees were 40.75%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 30.75% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 30.75% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 33.25% and 7.5%, respectively.

Non-employer contributions: The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended August 31, 2018 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2018, the City reported a liability of $4,558,497 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, actuarially determined. At June 30, 2018, the City's proportion was 0.539208%, which was an increase of 0.009971% from its proportion measured as of June 30, 2017.

For the year ended August 31, 2018, the City recognized pension expense of $762,473 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $11,471.

At August 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the System from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 20,550	$ 232,948
Change of assumptions	297,895	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	154,353	38,858
Net differences between projected and actual earnings on plan investments	218,524	-
Contributions subsequent to the measurement date	77,470	-
Total	$ 768,792	$ 271,806

Deferred outflows of resources of $77,470 related to the System resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	
2019	$ 357,245
2020	162,135
2021	(107,802)
2022	7,938
	$ 419,516

Contributions – Proportionate Share - Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

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 MPERS total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.20%, net of investment income
Projected Salary Increases	Vary from 9.75% in the first 2 years of Service, 4.75% years 3-23, and 4.25% after 23 years
Inflation Rate	2.60%
Expected Remaining Service Lives	4 years
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA set back 1 year for females for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Rate of Return
Equity	52%	3.58%
Fixed income	22%	0.46%
Alternative	20%	1.07%
Other	6%	0.17%
Totals	100%	5.28%
Inflation		2.75%
Expected Artithmetic Nominal Return		8.03%

Discount Rate: The discount rate used to measure net pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the 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 presents net pension liability of the participating employer calculated using the discount rate of 7.20%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
Net Pension Liability	$ 6,405,951	$ 4,558,497	$ 3,008,555

C. Firefighters Retirement System of Louisiana

Plan description: The Firefighters' Retirement System (the System) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least $375 per month, excluding state supplemental pay, and are employed by 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.

Firefighters' Retirement System issues a stand-alone report on its financial statements. Access to the audit report can be found on the System's website www.lafirefightersret.com or on the Office of Louisiana Legislative Auditor's official website www.lla.state.la.us.

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.

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

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

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

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

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

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

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

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

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

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

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

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

Initial Benefit Option Plan: Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments (COLAs): Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to $1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member of retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Employer and Employee Contributions: According to State statute, employer contributions are actuarially determined each year. For the year ended June 30, 2018, employer and employee contribution rates for members above the poverty line were 26.50% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.0%, respectively.

Non-employer Contributions: The System also receives insurance premium tax funds from the state of Louisiana. The tax is considered support from a non-employer contributing entity and appropriated by the legislature each year based on a actuarial study. Non-employer contributions are recognized as revenue during the year ended August 31, 2018 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2018, the City reported a liability of $3,480,070 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, actuarially determined. At June 30, 2018, the City's proportionate share was .605011%, which was a decrease of .04172% from its proportionate share measured as of June 30, 2017.

For the year ended August 31, 2018, the City recognized pension expense of $532,583 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, of $107.

At August 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 264,872
Change of assumptions	242,770	551
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,202	288,155
Net differences between projected and actual earnings on plan investments	226,291	-
Contributions subsequent to the measurement date	59,247	-
Total	$ 529,510	$ 553,578

Deferred outflows of resources of $59,247 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. 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:	
2019	$ 133,076
2020	712
2021	(145,907)
2022	(16,511)
2023	(24,261)
2024	(30,424)
	$ (83,315)

Actuarial 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 System's fiduciary net position.

The actuarial assumptions used in the June 30, 2018 valuation were based on the assumptions used in the June 30, 2018 actuarial funding valuation, and were based on results of an actuarial experience study for the period July 1, 2009 through June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability of the System as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.3% per annum
Salary Increases	Vary from 15.0% in the first two years of service to 4.75% with 25 or more years
Inflation Rate	2.70% per annum
Expected Remaining Service Lives	7 years, closed period
Cost of Living Adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated 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, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 8.09% as of June 30, 2018. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-term Expected Real Rate of Return
Fixed income	26%	1.76%
Equity		
U.S. Equity	22%	6.14%
Non-U.S. Equity	22%	7.46%
Global	10%	6.74%
Alternatives		
Real Estate	6%	4.38%
Private Equity	4%	8.73%
Global Tactical Asset Allocation	5%	4.31%
Risk Parity	5%	4.89%
Totals	100%	

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the 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 presents the net pension liability of the City, calculated using the discount rate of 7.30%, 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.

	1% Decrease 6.30%	Current Discount Rate 7.30%	1% Increase 8.30%
Net Pension Liability	$ 5,078,246	$ 3,480,070	$ 2,137,053

D. Louisiana State Employees' Retirement System

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

Plan description: Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the 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. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

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 or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service. 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 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 age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

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

Survivor's Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

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

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

Employer Contributions: The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the PRSAC, taking into consideration the recommendation of the Systems' Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2018 are as follows:

Plan	Plan Status	Employer Contribution Rate
Appellate Law Clerks		
Pre Act 75 (hired before 7/1/2006)	Closed	37.9%
Post Act 75 (hired after 6/30/2006)	Open	37.9%
Optional Retirement Plan (ORP)		
Pre Act 75 (hired before 7/1/2006)	Closed	37.9%
Post Act 75 (hired after 6/30/2006)	Closed	37.9%
Regular Employees hired before 7/1/06	Closed	37.9%
Regular Employees hired on or after 7/1/06	Closed	37.9%
Regular Employees hired on or after 1/1/11	Closed	37.9%
Regular Employees hired on or after 7/1/15	Open	37.9%
Legislators	Closed	41.7%
Special Legislative Employees	Closed	43.7%
Judges hired before 1/1/2011	Closed	40.1%
Judges hired after 12/31/2010	Closed	39.6%
Judges hired on or after 7/1/15	Open	39.6%
Corrections Primary	Closed	33.2%
Corrections Secondary	Closed	37.6%
Wildlife Agents	Closed	46.6%
Peace Officers	Closed	36.7%
Alcohol Tobacco Control	Closed	32.7%
Bridge Police	Closed	36.5%
Bridge Police hired on or after 7/1/06	Closed	36.5%
Harbor Police	Closed	6.1%
Hazardous Duty	Open	38.3%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2018, the employer reported a liability of $156,449 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, actuarially determined. At June 30, 2018, the City's proportion was .00229%, which was a decrease of .00009% from its proportion measured as of June 30, 2017.

For the year ended August 31, 2018, the City recognized pension expense of $12,772 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $19,986.

At August 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,754
Change of assumptions	1,592	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	24,948	8,990
Net differences between projected and actual earnings on plan investments	2,029	-
Contributions subsequent to the measurement date	1,869	-
Total	$ 30,438	$ 10,744

Deferred outflows of resources of $1,869 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. 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:	
2019	$ 23,932
2020	(1,712)
2021	(3,823)
2022	(572)
	$ 17,825

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.65% per annum, net of investment expenses
Inflation Rate	2.75% per annum
Mortality	**Non-disabled members** - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. **Disabled members** - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.80%	12.80%
Judges	2.80%	5.30%
Corrections	3.40%	14.30%
Hazardous Duty	3.40%	14.30%
Wildlife	3.40%	14.30%

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

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 of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.48%
Domestic Equity	4.31%
International Equity	5.26%
Domestic Fixed Income	1.49%
Internatinal Fixed Income	2.23%
Alternative Investments	7.67%
Global Tactical Asset Allocation	4.96%
Total Fund	5.40%

Discount Rate: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the 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 presents the employer's net pension liability using the discount rate of 7.65%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.75%
Net Pension Liability	$ 197,449	$ 156,449	$ 121,138

(14) Commitments and Contingencies

Litigation

At August 31, 2018, 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.

(15) Leases

A. Operating Lease

The City leases property with lease terms of one year or less. The minimum annual commitments under these operating leases are considered to be immaterial. Income recognized for the year ended August 31, 2018 was $76,066.

B. Capital Lease

In August 2015, the City entered into a lease agreement for acquisition of a freightliner truck with vac-con combo. The lease agreement qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The future minimum lease obligation and the net present value of the minimum lease payments as of August 31, 2018 were as follows:

2019	$ 82,981
2020	65,455
Total minimum lease payments	148,436
Less: amount representing interest	(3,756)
Present value of minimum lease payments	$ 144,680

At August 31, 2018, the equipment is included in capital assets with a cost of $334,895 and accumulated depreciation of $206,519. Depreciation expense of $66,979 was recorded for this asset at August 31, 2018.

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

A detail of compensation, benefits, and other payments paid to Mayor Gregg Jones for the year ended August 31, 2018 follows:

Purpose	Amount
Salary	$ 75,741
Benefits-insurance	8,518
Benefits-retirement	16,893
Meals	37
Hotels	683
Conference registration fees	200
Travel	1,979
	$ 104,051

(17) Compensation of City Officials

A detail of compensation paid to the Aldermen for the year ended August 31, 2018 follows:

Council Members:	
Steven C. Premeaux - Mayor pro-tem	$ 11,350
Vernon Martin	10,150
Ira Thomas	5,577
Kathleen M. Valdetero	3,513
Lyle Fogleman	10,150
Heuy B. Borill	10,150
Jeffery Dore	10,150
John Elliott Dore	10,150
Timothy P. Monceaux	10,150
Ezora J. Proctor	10,150
	$ 91,490

(18) Risk Management

A. Workmen's Compensation and Commercial Insurance Coverage

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

For the year ended August 31, 2018, the claims liability of $53,739 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

	2018	2017
Unpaid claims, beginning	$ 33,081	$ 15,784
Claims incurred	363,308	221,444
Claims payments	(342,650)	(204,147)
Unpaid claims, ending	$ 53,739	$ 33,081

Claims payable of $53,739 at August 31, 2018 consisted of claims incurred prior to August 31, 2018 and paid in September, 2018 through October, 2018.

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, 2018, the claims liability of $47,530 was reported in the Employee Benefit Plan Fund. The claims liability is based on the requirements of GASB, which are that a liability for claims be reported as of the financial statement date if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Reconciliation of Claims Liabilities

	2018	2017
Unpaid claims, beginning	$ 90,918	$ 82,235
Claims incurred	1,000,015	1,038,476
Claims payments	(1,043,403)	(1,029,793)
Unpaid claims, ending	$ 47,530	$ 90,918

Claims payable of $47,530 at August 31, 2018 consisted of claims incurred prior to August 31, 2018 and paid in September, 2018 through November, 2018.

(19) Post-employment Benefits

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

Benefits Provided – Medical benefits are provided through a self-insured medical plan 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.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Employees covered by benefit terms – At August 31, 2018, the following employees were covered by the benefit terms:

In active employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	128
	134

The City's total OPEB liability of $1,208,901 was measured as of August 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior Discount rate	3.52%
Discount rate	3.88%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of August 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the August 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from September 1, 2009 to August 31, 2018.

The following presents changes in the total OPEB liability:

Balance at August 31, 2017	$ 1,183,358
Changes for the year:	
Service cost	12,787
Interest	42,104
Differences between expected and actual experience	50,179
Changes in assumptions	(44,522)
Benefit payments and net transfers	(35,005)
Net changes	25,543
Balance at August 31, 2018	$ 1,208,901

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 (2.88%) or 1-percentage-point higher (4.88%) than the current discount rate:

	1.0% Decrease 2.88%	Current Discount Rate 3.88%	1.0% Increase 4.88%
Total OPEB liability	$ 1,344,187	$ 1,208,901	$ 1,092,900

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease 4.50%	Current Trend 5.50%	1.0% Increase 6.50%
Total OPEB liability	$ 1,166,813	$ 1,208,901	$ 1,439,534

For the year ended August 31, 2018, the City recognized OPEB expense of $55,206. At August 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 47,391	$ -
Changes in assumptions	-	42,049
Total	$ 47,391	$ 42,049

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

Year Ended August 31:	
2019	$ 315
2020	315
2021	315
2022	315
2023	315
2024 - 2038	3,767
	$ 5,342

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 not any plan assets since the OPEB benefits are not as yet funded.

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

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays the retiree portion of the coverage (not dependents), but it is based on the blended rate (active and retiree) before age 65 Medicare eligibility. Since GASB 75 requires the use of unblended rates, we have "unblended" the rates before age 65 by assuming the unblended rate for retirees is 130% of the total blended rate. The employer rate is then determined by subtracting the retiree rate from the unblended rate. Retiree medical coverage ceases upon Medicare eligibility.

(20) Interfund Receivables/Payables and Interfund Transfers

A. A summary of interfund receivables and payables at August 31, 2018 follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 718,991	$ 2,069
Sales Tax Fund	-	298,000
One-Half Cent Sales Tax - Salary Fund	330,338	82,576
2012 Sales Tax - Infrastructure Imporvement fund	50,238	-
Other governmental funds	300	734
Internal service funds	302	-
Enterprise Fund	-	716,790
Total	$ 1,100,169	$ 1,100,169

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

B. Interfund transfers consisted of the following at August 31, 2018:

	Transfers In	Transfers Out
General Fund	$ 6,269,207	$ 422,494
Sales Tax Fund	-	4,740,537
1/2 Cent Sales Tax - Salary Fund	-	1,441,664
2012 Sales Tax - Infrastructure Improvement Fund	-	600,000
Other governmental funds	1,192,048	102,534
Enterprise Fund	400,013	554,039
Total	$ 7,861,268	$ 7,861,268

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

(21) On-Behalf Payments

The City has recognized $428,180 as revenue and expenditure for on-behalf salary payments, of which $385,885 was made by the State of Louisiana and $42,295 was made by the Acadia Parish Police Jury.

(22) New Accounting Pronouncement

During the fiscal year ended August 31, 2018, the City of Crowley adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

(23) Beginning Net Position Adjustment

During the fiscal year ended August 31, 2018, the City of Crowley adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This resulted in a restatement of previously reported net positions, as follows:

	Governmental Activities	Business-type Activities
September 1, 2017 net position, as reported	$ 16,264,411	$ 10,032,438
Prior period adjustment:		
Change in accounting principle:		
Net effect of recording OPEB liability	(565,150)	(34,399)
September 1, 2017 net position, as restated	$ 15,699,261	$ 9,998,039

REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2018

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 2,542,864	$ 2,542,864	$ 2,569,126	$ 26,262
Licenses and permits	546,575	609,575	598,007	(11,568)
Intergovernmental	479,000	1,628,075	2,191,649	563,574
Charges for services	38,690	38,690	33,223	(5,467)
Fines and fees	75,000	75,000	42,717	(32,283)
Investment income	50,170	50,170	27,235	(22,935)
Miscellaneous	141,450	141,450	178,397	36,947
Total revenues	3,873,749	5,085,824	5,640,354	554,530
Expenditures:				
Current -				
General government	1,594,311	1,634,761	1,588,170	46,591
Public safety	6,127,603	6,176,003	6,535,614	(359,611)
Public works	1,640,005	1,680,005	1,612,464	67,541
Economic development	105,500	105,500	94,159	11,341
Capital outlay	410,500	1,585,900	1,352,376	233,524
Debt service -				
Principal retirement	198,374	198,374	174,806	23,568
Interest and fiscal charges	8,916	8,916	8,628	288
Total expenditures	10,085,209	11,389,459	11,366,217	23,242
Deficiency of revenues over expenditures	(6,211,460)	(6,303,635)	(5,725,863)	577,772
Other financing sources (uses):				
Transfers in	6,558,291	6,558,291	6,269,207	(289,084)
Transfers out	(300,687)	(400,687)	(422,494)	(21,807)
Total other financing sources (uses)	6,257,604	6,157,604	5,846,713	(310,891)
Net change in fund balance	46,144	(146,031)	120,850	266,881
Fund balance, beginning	2,402,012	2,402,012	2,402,012	-
Fund balance, ending	$ 2,448,156	$ 2,255,981	$ 2,522,862	$ 266,881

CITY OF CROWLEY, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2018

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 4,813,890	$ 4,813,890	$ 4,567,473	$ (246,417)
Investment income	1,000	930	1,264	334
Total revenues	4,814,890	4,814,820	4,568,737	(246,083)
Expenditures:				
Current -				
General government	75,708	74,808	73,278	1,530
Excess of revenues over expenditures	4,739,182	4,740,012	4,495,459	(244,553)
Other financing uses:				
Transfers out	(4,739,182)	(4,739,182)	(4,740,537)	(1,355)
Net change in fund balance	-	830	(245,078)	(245,908)
Fund balance, beginning	760,515	760,515	760,515	-
Fund balance, ending	$ 760,515	$ 761,345	$ 515,437	$ (245,908)

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

Budgetary Comparison Schedule
For the Year Ended August 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,604,970	$ 1,604,970	$ 1,522,491	$ (82,479)
Investment income	5,000	3,600	3,804	204
Total revenues	1,609,970	1,608,570	1,526,295	(82,275)
Expenditures:				
Current -				
General government	28,525	27,575	26,321	1,254
Excess of revenues over expenditures	1,581,445	1,580,995	1,499,974	(81,021)
Other financing uses:				
Transfers out	(1,730,578)	(1,730,578)	(1,441,664)	288,914
Net change in fund balance	(149,133)	(149,583)	58,310	207,893
Fund balance, beginning	1,239,223	1,239,223	1,239,223	-
Fund balance, ending	$ 1,090,090	$ 1,089,640	$ 1,297,533	$ 207,893

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

Budgetary Comparison Schedule
For the Year Ended August 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,604,970	$ 1,604,970	$ 1,522,491	$ (82,479)
Net increase in fair value of investments	100,000	323,600	151,901	(171,699)
Total revenues	1,704,970	1,928,570	1,674,392	(254,178)
Expenditures:				
Current -				
General government	29,125	30,100	28,461	1,639
Excess of revenues over expenditures	1,675,845	1,898,470	1,645,931	(252,539)
Other financing uses:				
Transfers out	(600,000)	(600,000)	(600,000)	-
Net change in fund balance	1,075,845	1,298,470	1,045,931	(252,539)
Fund balance, beginning	5,654,699	5,654,699	5,654,699	-
Fund balance, ending	$ 6,730,544	$ 6,953,169	$ 6,700,630	$ (252,539)

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.

CITY OF CROWLEY, LOUISIANA

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended August 31, 2018

Changes for the year:	
Service cost	$ 12,787
Interest	42,104
Changes of benefit terms	-
Differences between expected and actual experience	50,179
Changes of assumptions	(44,522)
Benefit payments	(35,005)
Net change in total OPEB liability	25,543
Total OPEB liability - beginning	1,183,358
Total OPEB liability - ending	$ 1,208,901
Covered - employee payroll	$ 4,078,966
Total OPEB liability as a percentage of covered-employee payroll	29.64%

Notes to Schedule:
Benefit Changes: There were no changes of benefit terms for the year ended August 31, 2018.

Changes of Assumptions: The discount rate as of 8/31/17 was 3.52% and it changed to 3.88% as of 8/31/18.

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, 2018

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee 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%

* 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, 2018

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

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, 2018

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee 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%

* 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, 2018

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee 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%

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, 2018

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee 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%

* 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, 2018

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee 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%

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, 2018

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.001880%	$ 84,679	$ 23,003	368.1%	62.66%
2016	0.001300%	$ 102,319	$ 25,001	409.3%	57.70%
2017	0.002380%	$ 167,595	$ 27,124	617.9%	62.50%
2018	0.002290%	$ 156,449	$ 30,301	516.3%	64.30%

* 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, 2018

Year ended August 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee 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%

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

CITY OF CROWLEY, LOUISIANA

Notes to Retirement System Schedules

(1) Retirement Systems

A. Municipal Employees' Retirement System

1) Changes of benefit terms – There were no changes of benefit terms for the year ended August 31, 2018.

2) Changes of assumptions – Changes of assumptions for the year ended August 31, 2018 were as follows for valuation date June 30, 2018:
   a) Investment rate of return used was 7.275%, a decrease from 7.40% in 2017.
   b) Inflation rate used was 2.6%, a decrease from 2.775% in 2017.

B. Municipal Police Employees' Retirement System

1) Changes of benefit terms – There were no changes of benefit terms for the year ended August 31, 2018.

2) Changes of assumptions – Changes of assumptions for the year ended August 31, 2018 were as follows for valuation date June 30, 2018:
   a) Investment rate of return used was 7.20%, a decrease from 7.325% in 2017.
   b) Inflation rate used was 2.60%, a decrease from 2.775% in 2017.

C. Firefighters' Retirement System

1) Changes of benefit terms – There were no changes of benefit terms for the year ended August 31, 2018.

2) Changes of assumptions – Changes of assumptions for the year ended August 31, 2018 were as follows for valuation date June 30, 2018:
   a) Investment rate of return used was 7.3%, a decrease from 7.4% in 2017.
   b) Inflation rate used was 2.7%, a decrease from 2.775% in 2017.

D. Louisiana State Employees' Retirement System

1) Changes of benefit terms – There were no changes of benefit terms for the year ended August 31, 2018.

2) Changes of assumptions – Changes of assumptions for the year ended August 31, 2018 were as follows for valuation date June 30, 2018:
   a) Investment rate of return used was 7.65%, a decrease from 7.70% in 2017.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended August 31, 2018
With Comparative Actual Amounts for the Year Ended August 31, 2017

	2018				
	Budget			Variance with Final Budget Positive	2017
	Original	Final	Actual	(Negative)	Actual
Taxes:					
Ad valorem	$ 1,610,864	$ 1,610,864	$ 1,637,066	$ 26,202	$ 1,634,490
Electric franchise	616,000	616,000	606,707	(9,293)	598,212
Gas franchise	80,000	80,000	81,413	1,413	79,928
Telephone franchise	30,000	30,000	23,986	(6,014)	20,223
Cable TV franchise	120,000	120,000	134,830	14,830	123,122
Water franchise	70,000	70,000	70,225	225	75,489
In lieu of tax payments	10,000	10,000	10,000	-	10,000
Interest and penalties on taxes	6,000	6,000	4,899	(1,101)	5,093
Total taxes	2,542,864	2,542,864	2,569,126	26,262	2,546,557
Licenses and permits:					
Occupational licenses	230,000	293,000	299,310	6,310	232,006
Insurance licenses	220,000	220,000	192,198	(27,802)	293,412
Liquor licenses	30,500	30,500	30,735	235	31,517
Building permits	49,975	49,975	60,950	10,975	62,916
Chain store licenses	10,000	10,000	10,958	958	9,551
Other licenses and permits	6,100	6,100	3,856	(2,244)	6,190
Total licenses and permits	546,575	609,575	598,007	(11,568)	635,592
Intergovernmental:					
Beer tax revenue	25,500	25,500	20,434	(5,066)	21,986
Video poker tax revenue	395,000	395,000	372,978	(22,022)	374,527
2% fire insurance proceeds	58,500	58,500	53,256	(5,244)	58,303
Federal grants	-	1,099,300	1,011,746	(87,554)	261,298
State grants	-	49,775	205,764	155,989	40,214
Other governmental sources	-	-	99,291	99,291	-
On-behalf payments	-	-	428,180	428,180	410,337
Total intergovernmental	479,000	1,628,075	2,191,649	563,574	1,166,665
Charges for services:					
Lot cutting fees	6,000	6,000	2,857	(3,143)	5,217
Animal control fees	2,500	2,500	1,920	(580)	3,330
Frame and grate income	1,000	1,000	1,262	262	854
State highway clean-up fees	24,730	24,730	24,730	-	24,730
Miscellaneous fees	4,460	4,460	2,454	(2,006)	2,317
Total charges for services	38,690	38,690	33,223	(5,467)	36,448

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended August 31, 2018
With Comparative Actual Amounts for the Year Ended August 31, 2017

	2018				
	Budget			Variance with Final Budget Positive	2017
	Original	Final	Actual	(Negative)	Actual
Fines and fees:					
Court fines and fees	75,000	75,000	42,717	(32,283)	54,329
Investment income	50,170	50,170	27,235	(22,935)	29,669
Miscellaneous:					
Rental of property	64,500	64,500	76,066	11,566	65,498
Mardi Gras fundraiser	10,000	10,000	4,771	(5,229)	10,314
Gas and oil royalties	600	600	408	(192)	585
Miscellaneous police revenues	29,500	29,500	24,763	(4,737)	34,001
Retirees insurance reimbursements	21,500	21,500	25,737	4,237	28,570
The Great Race fundraiser	1,000	1,000	-	(1,000)	-
Other	14,350	14,350	46,652	32,302	37,811
Total miscellaneous	141,450	141,450	178,397	36,947	176,779
Total revenues	$ 3,873,749	$ 5,085,824	$ 5,640,354	$ 554,530	$ 4,646,039

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended August 31, 2018
With Comparative Actual Amounts for the Year Ended August 31, 2017

	2018				
	Budget			Variance with Final Budget Positive	2017
	Original	Final	Actual	(Negative)	Actual
General government -					
Administrative:					
Salaries and wages	$ 501,723	$ 503,723	$ 495,138	$ 8,585	$ 488,929
Payroll taxes	12,361	12,361	9,029	3,332	9,193
Retirement	99,637	99,637	99,133	504	88,456
Group insurance	142,108	142,108	137,828	4,280	148,266
General insurance	28,000	28,000	25,195	2,805	28,623
Office expense	23,500	20,700	23,674	(2,974)	23,007
Telephone and utilities	14,000	14,000	18,797	(4,797)	14,667
Professional services	128,000	87,150	107,710	(20,560)	186,512
Computer expense	54,900	124,900	131,966	(7,066)	71,266
Convention and schools	17,000	17,000	16,721	279	15,107
Dues	4,750	4,750	2,447	2,303	4,457
Publication expense	25,300	25,300	23,846	1,454	23,780
Tax roll expense	10,000	13,500	13,530	(30)	8,243
Collision loss	119,500	119,500	89,868	29,632	96,258
Repairs and maintenance	10,000	10,000	8,255	1,745	7,883
Miscellaneous	76,456	85,056	83,400	1,656	264,234
Total administrative	1,267,235	1,307,685	1,286,537	21,148	1,478,881
Courts:					
Salaries and wages	165,436	165,436	153,186	12,250	146,499
Payroll taxes	2,619	2,619	2,192	427	2,125
Retirement	47,734	47,734	44,885	2,849	40,231
Group insurance	49,312	49,312	42,283	7,029	46,249
General insurance	11,200	11,200	11,382	(182)	11,125
City court appropriation	40,000	40,000	40,000	-	40,000
Telephone and utilities	4,175	4,175	3,134	1,041	3,630
Miscellaneous	6,600	6,600	4,571	2,029	-
Total courts	327,076	327,076	301,633	25,443	289,859
Total general government	1,594,311	1,634,761	1,588,170	46,591	1,768,740

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2018
With Comparative Actual Amounts for the Year Ended August 31, 2017

	2018				
	Budget			Variance with Final Budget Positive	2017
	Original	Final	Actual	(Negative)	Actual
Public safety -					
Fire department:					
Salaries and wages	1,374,057	1,374,057	1,589,942	(215,885)	1,541,911
Payroll taxes	26,292	26,292	25,654	638	24,756
Retirement	394,337	394,337	386,559	7,778	370,264
Group insurance	329,826	329,826	337,305	(7,479)	331,709
General insurance	65,000	65,000	64,644	356	62,923
Office expense	1,500	1,500	18,757	(17,257)	4,087
Telephone and utilities	36,000	36,000	35,324	676	36,130
Gas and oil	14,000	14,000	12,413	1,587	11,084
Repairs and supplies	105,000	105,000	98,725	6,275	95,794
Uniforms	13,500	13,500	13,072	428	13,396
External appropriations	6,000	6,000	6,000	-	6,000
Fire prevention	1,800	1,800	2,615	(815)	2,280
Miscellaneous	17,350	17,350	2,244	15,106	4,875
Total fire department	2,384,662	2,384,662	2,593,254	(208,592)	2,505,209
Police department:					
Salaries and wages	1,695,553	1,695,553	1,899,453	(203,900)	1,862,504
Payroll taxes	29,692	29,692	28,645	1,047	27,111
Retirement	529,492	529,492	525,916	3,576	504,973
Group insurance	381,792	381,792	388,640	(6,848)	389,010
General insurance	240,000	240,000	249,485	(9,485)	236,764
Office expense	11,500	11,500	12,898	(1,398)	14,004
Telephone and utilities	49,650	49,650	57,203	(7,553)	51,280
Computer expense	40,000	40,000	46,257	(6,257)	36,146
Gas and oil	110,000	110,000	76,611	33,389	64,329
Repairs and maintenanace	64,000	64,000	86,521	(22,521)	79,507
Conventions and schools	15,000	15,000	14,292	708	15,712
Building rental	90,000	90,000	51,140	38,860	102,360
Miscellaneous	62,750	111,150	159,836	(48,686)	80,991
Total police department	3,319,429	3,367,829	3,596,897	(229,068)	3,464,691

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2018
With Comparative Actual Amounts for the Year Ended August 31, 2017

	2018				
	Budget			Variance with Final Budget Positive	2017
	Original	Final	Actual	(Negative)	Actual
Code enforcement:					
Salaries and wages	209,610	209,610	167,700	41,910	204,833
Payroll taxes	3,909	3,909	3,034	875	3,936
Retirement	47,711	47,711	38,065	9,646	42,635
Group insurance	40,432	40,432	38,426	2,006	45,013
General insurance	16,500	16,500	16,616	(116)	16,115
Office expense	5,000	5,000	627	4,373	5,051
Telephone and utilities	11,600	11,600	9,619	1,981	11,836
Gas and oil	12,000	12,000	10,086	1,914	10,178
Repairs and supplies	24,750	24,750	35,421	(10,671)	21,332
Trash clean-up	15,000	15,000	15,357	(357)	8,095
Animal control	10,500	10,500	3,930	6,570	2,343
Miscellaneous	26,500	26,500	6,582	19,918	25,473
Total code enforcement	423,512	423,512	345,463	78,049	396,840
Total public safety	6,127,603	6,176,003	6,535,614	(359,611)	6,366,740
Public works -					
Drainage and public buildings:					
Salaries and wages	280,592	280,592	210,491	70,101	234,731
Payroll taxes	4,179	4,179	3,160	1,019	3,472
Retirement	65,600	65,600	46,582	19,018	49,911
Group insurance	59,391	59,391	49,813	9,578	56,346
General insurance	30,000	30,000	28,909	1,091	28,050
Telephone and utilities	43,550	43,550	44,260	(710)	41,805
Professional services	5,000	5,000	-	5,000	795
Gas and oil	15,000	15,000	6,815	8,185	14,510
Repairs and maintenance	56,250	96,250	144,745	(48,495)	86,709
Miscellaneous	19,825	19,825	20,009	(184)	22,487
Total drainage and public buildings	579,387	619,387	554,784	64,603	538,816

(continued)

CITY OF CROWLEY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended August 31, 2018
With Comparative Actual Amounts for the Year Ended August 31, 2017

	2018				
	Budget			Variance with Final Budget Positive	2017
	Original	Final	Actual	(Negative)	Actual
Street department:					
Salaries and wages	333,378	333,378	255,643	77,735	261,787
Payroll taxes	7,876	7,876	4,339	3,537	4,597
Retirement	75,037	75,037	59,910	15,127	54,025
Group insurance	103,077	103,077	79,214	23,863	70,650
General insurance	55,000	55,000	54,065	935	52,344
Gas and oil	45,600	45,600	20,597	25,003	31,811
Repairs and supplies	88,000	88,000	263,892	(175,892)	139,808
Asphalt, gravel, shell, and sand	24,500	24,500	19,617	4,883	12,023
Street signs and signals	10,000	10,000	7,099	2,901	7,313
Street and traffic lights	243,000	243,000	223,745	19,255	235,744
Telephone and utilities	1,000	1,000	724	276	990
Rice festival expense	16,500	16,500	12,288	4,212	10,939
Tree expense	5,000	5,000	202	4,798	1,885
Mosquito control	35,000	35,000	40,308	(5,308)	10,083
Miscellaneous	17,650	17,650	16,037	1,613	13,806
Total street department	1,060,618	1,060,618	1,057,680	2,938	907,805
Total public works	1,640,005	1,680,005	1,612,464	67,541	1,446,621
Economic development -					
Mardi Gras Fundraiser	30,000	30,000	24,154	5,846	27,701
Tourism and promotion	75,500	75,500	70,005	5,495	58,388
Total economic development	105,500	105,500	94,159	11,341	86,089
Capital outlay	410,500	1,585,900	1,352,376	233,524	140,230
Debt service -					
Principal retirement	198,374	198,374	174,806	23,568	185,323
Interest and fiscal charges	8,916	8,916	8,628	288	15,606
Total debt service	207,290	207,290	183,434	23,856	200,929
Total expenditures	$ 10,085,209	$ 11,389,459	$ 11,366,217	$ 23,242	$ 10,009,349

CITY OF CROWLEY, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
August 31, 2018

	Special Revenue	Debt Service	Total
ASSETS			
Cash and interest-bearing deposits	$ 1,174,351	$ 406,984	$ 1,581,335
Receivables:			
Accrued interest receivable	128	-	128
Due from other funds	300	-	300
Due from other governmental agencies	10,377	-	10,377
Total assets	$ 1,185,156	$ 406,984	$ 1,592,140
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 20,678	$ -	$ 20,678
Accrued liabilities	15,894	-	15,894
Due to other funds	734	-	734
Total liabilities	37,306	-	37,306
Fund balances:			
Restricted	922,326	406,984	1,329,310
Assigned	225,524	-	225,524
Total fund balances	1,147,850	406,984	1,554,834
Total liabilities and fund balances	$ 1,185,156	$ 406,984	$ 1,592,140

CITY OF CROWLEY, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended August 31, 2018

	Special Revenue	Debt Service	Total
Revenues:			
Taxes	$ 348,186	$ -	$ 348,186
Charges for services	330,337	-	330,337
Investment income	2,873	-	2,873
Miscellaneous	8,180	-	8,180
Total revenues	737,144	-	737,144
Expenditures:			
Current -			
General government	23,773	669	24,442
Economic development	1,648	-	1,648
Culture and recreation	1,032,871	-	1,032,871
Cemetery	58,889	-	58,889
Capital outlay	134,596	-	134,596
Debt service -			
Principal retirement	-	295,000	295,000
Interest and fiscal charges	-	173,047	173,047
Total expenditures	1,251,777	468,716	1,720,493
Deficiency of revenues over expenditures	(514,633)	(468,716)	(983,349)
Other financing sources (uses):			
Transfers in	687,753	504,295	1,192,048
Transfers out	(102,534)	-	(102,534)
Total financing sources (uses)	585,219	504,295	1,089,514
Net changes in fund balances	70,586	35,579	106,165
Fund balance, beginning	1,077,264	371,405	1,448,669
Fund balance, ending	$ 1,147,850	$ 406,984	$ 1,554,834

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

CITY OF CROWLEY, LOUISIANA
Nonmajor Special Revenue Funds

Combining Balance Sheet
August 31, 2018

	Industrial Inducement Fund	Rice City Civic Center Fund	Youth Recreation Operation Fund	Youth Recreation Building Maintenance Fund
ASSETS				
Cash and interest-bearing deposits	$ 559,831	$ 42,077	$ 120,816	$ 47,303
Receivables:				
Accrued interest receivable	96	-	-	-
Due from other funds	-	-	-	-
Due from other governmental agencies	-	-	-	-
Total assets	$ 559,927	$ 42,077	$ 120,816	$ 47,303
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 1,046	$ 15,307	$ 2,626
Accrued liabilities	-	952	10,591	2,494
Due to other funds	-	-	434	-
Total liabilities	-	1,998	26,332	5,120
Fund balances:				
Restricted	559,927	-	94,484	42,183
Assigned	-	40,079	-	-
Total fund balance	559,927	40,079	94,484	42,183
Total liabilities and fund balance	$ 559,927	$ 42,077	$ 120,816	$ 47,303

Cemetery Maintenance Fund	Cemetery Development Fund	Motor Vehicle Facility Fund	Main Street Fund	Total
$ 227,995	$ 44,204	$ 130,483	$ 1,642	$ 1,174,351
32	-	-	-	128
-	300	-	-	300
-	-	10,377	-	10,377
$ 228,027	$ 44,504	$ 140,860	$ 1,642	$ 1,185,156
$ 138	$ -	$ 1,561	$ -	$ 20,678
1,857	-	-	-	15,894
300	-	-	-	734
2,295	-	1,561	-	37,306
225,732	-	-	-	922,326
-	44,504	139,299	1,642	225,524
225,732	44,504	139,299	1,642	1,147,850
$ 228,027	$ 44,504	$ 140,860	$ 1,642	$ 1,185,156

CITY OF CROWLEY, LOUISIANA
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended August 31, 2018

	Industrial Inducement Fund	Rice City Civic Center Fund	Youth Recreation Operation Fund	Youth Recreation Building Maintenance Fund
Revenues:				
Taxes	$ -	$ -	$ 219,896	$ 73,299
Charges for services	-	21,454	225,846	-
Investment income	1,523	-	254	15
Miscellaneous	-	-	8,180	-
Total revenues	1,523	21,454	454,176	120,882
Expenditures:				
Current -				
General government	-	-	-	-
Economic development	432	-	-	-
Culture and recreation	-	51,589	810,580	170,702
Cemetery	-	-	-	-
Capital outlay	-	-	17,087	117,509
Total expenditures	432	51,589	827,667	288,211
Excess (deficiency) of revenues over expenditures	1,091	(30,135)	(373,491)	(167,329)
Other financing sources (uses):				
Transfers in	-	52,108	426,197	209,448
Transfers out	-	(9,879)	(45,342)	(15,230)
Total financing sources (uses)	-	42,229	380,855	194,218
Net changes in fund balances	1,091	12,094	7,364	26,889
Fund balances, beginning	558,836	27,985	87,120	15,294
Fund balances, ending	$ 559,927	$ 40,079	$ 94,484	$ 42,183

Cemetery Maintenance Fund	Cemetery Development Fund	Motor Vehicle Facility Fund	Main Street Fund	Total
$ 54,991	$ -	$ -	$ -	$ 348,186
-	3,500	79,537	-	330,337
980	-	101	-	2,873
-	-	-	-	8,180
55,971	3,500	79,638	-	737,144
-	-	23,773	-	23,773
-	-	1,216	-	1,648
-	-	-	-	1,032,871
58,608	281	-	-	58,889
-	-	-	-	134,596
58,608	281	24,989	-	1,251,777
(2,637)	3,219	54,649	-	(514,633)
-	-	-	-	687,753
-	-	(32,083)	-	(102,534)
-	-	(32,083)	-	585,219
(2,637)	3,219	22,566	-	70,586
228,369	41,285	116,733	1,642	1,077,264
$ 225,732	$ 44,504	$ 139,299	$ 1,642	$ 1,147,850

NONMAJOR DEBT SERVICE FUND

Refunding Bonds Series 2011

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

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

Balance Sheet
August 31, 2018

ASSETS	
Cash and interest-bearing deposits	$ 406,984
LIABILITIES AND FUND BALANCE	
Liabilities	$ -
Fund balance:	
Restricted	406,984
Total liabilities and fund balance	$ 406,984

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

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended August 31, 2018

Revenues	$ -
Expenditures:	
Current -	
General government	669
Debt service -	
Principal retirement	295,000
Interest and fiscal charges	173,047
Total expenditures	468,716
Deficiency of revenues over expenditures	(468,716)
Other financing sources:	
Transfers in	504,295
Net change in fund balance	35,579
Fund balance, beginning	371,405
Fund balance, ending	$ 406,984

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, 2018

	Workman's Compensation Fund	Employee Benefit Plan Fund	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	$ 254,577	$ 29,734	$ 284,311
Accrued interest receivable	130	-	130
Due from other funds	302	-	302
Total assets	255,009	29,734	284,743
LIABILITIES			
Current liabilities:			
Claims payable	53,739	47,530	101,269
NET POSITION			
Unrestricted	$ 201,270	$ (17,796)	$ 183,474

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended August 31, 2018

	Workman's Compensation Fund	Employee Health Insurance Fund	Total
Operating revenues:			
Charges for services	$ 260,814	$ 1,234,227	$ 1,495,041
Miscellaneous	-	216,548	216,548
Total operating revenues	260,814	1,450,775	1,711,589
Operating expenses:			
Insurance premiums	86,433	288,242	374,675
Claims	252,312	1,043,403	1,295,715
Loss time	90,338	-	90,338
Professional services	21,336	24,820	46,156
Miscellaneous	439	89,804	90,243
Total operating expenses	450,858	1,446,269	1,897,127
Operating (loss) income	(190,044)	4,506	(185,538)
Nonoperating revenues:			
Investment income	720	1	721
Change in net position	(189,324)	4,507	(184,817)
Net position, beginning	390,594	(22,303)	368,291
Net position, ending	$ 201,270	$ (17,796)	$ 183,474

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended August 31, 2018

	Workman's Compensation Fund	Employee Benefit Plan Fund	Total
Cash flows from operating activities:			
Receipts from insured	$ -	$ 260,622	$ 260,622
Receipts from interfund services provided	260,814	973,605	1,234,419
Payments to suppliers	(108,208)	(402,866)	(511,074)
Payments for claims and loss time	(321,983)	(1,086,791)	(1,408,774)
Other receipts	-	226,397	226,397
Net cash used by operating activities	(169,377)	(29,033)	(198,410)
Cash flows from investing activities:			
Purchase of interest-bearing deposits with maturity in excess of ninety days	(232,208)	-	(232,208)
Proceeds of interest-bearing deposits with maturity in excess of ninety days	231,289	-	231,289
Investment income	720	1	721
Net cash (used) provided by investing activities	(199)	1	(198)
Net decrease in cash and cash equivalents	(169,576)	(29,032)	(198,608)
Cash and cash equivalents, beginning	192,256	58,766	251,022
Cash and cash equivalents, ending	$ 22,680	$ 29,734	$ 52,414

(continued)

CITY OF CROWLEY, LOUISIANA
Internal Service Funds

Combining Statement of Cash Flows (Continued)
For the Year Ended August 31, 2018

	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)	$ (190,044)	$ 4,506	$ (185,538)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities -			
Increase (decrease) current liabilities			
Decrease in receivables	-	9,849	9,849
Claims payable	20,667	(43,388)	(22,721)
Net cash used by operating activities	$ (169,377)	$ (29,033)	$ (198,410)
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	$ 423,545	$ 58,766	$ 482,311
Less: Interest-bearing deposits with maturity in excess of 90 days	(231,289)	-	(231,289)
Total cash and cash equivalents	192,256	58,766	251,022
Cash and cash equivalents, end of period -			
Cash and interest-bearing deposits - unrestricted	254,577	29,734	284,311
Less: Interest-bearing deposits with maturity in excess of 90 days	(231,897)	-	(231,897)
Total cash and cash equivalents	22,680	29,734	52,414
Net decrease	$ (169,576)	$ (29,032)	$ (198,608)

INTERNAL CONTROL,

COMPLIANCE,

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

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

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

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

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

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

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

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

WWW.KCSRCPAS.COM

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crowley, Louisiana, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 27, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Crowley, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2018-002 and 2018-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of current and prior audit findings and management's corrective action plan as item 2018-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2018-004 and 2018-005.

City of Crowley's Response to Finding

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
February 27, 2019

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

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

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

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

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

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

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

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

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Crowley's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended August 31, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
February 27, 2019

CITY OF CROWLEY, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2018

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass - Through Identifying No.	Expenditures
U.S. Department of Justice:			
Passed through the State of Louisiana Commission on Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-MU-BX-0059	$ 11,746
U.S. Department of Homeland Security:			
Passed through State of Louisiana, Military Department, Office of Homeland Security and Emergency Preparedness -			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4102-PA-LA	553,703
Assistance to Firefighters Grant	97.044	EMW-2016-FR-00426	1,000,000
Total U.S. Department of Homeland Security			1,553,703
Total			$ 1,565,449

See accompanying notes to schedule of expenditures of federal awards.

CITY OF CROWLEY, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended August 31, 2018

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Crowley, Louisiana (the City) under programs of the federal government for the year ended August 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

The City's reporting entity is defined in Note 1 to the basic financial statements for the year ended August 31, 2018. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered a major federal program of the City: Assistance to Firefighters Grant.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended August 31, 2018.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Loans outstanding

The City had debt balance outstanding of $1,088,390 at August 31, 2018 as it relates to the Clean Water State Revolving Loan Fund.

CITY OF CROWLEY, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended August 31, 2018

Part I. Summary of Auditor's Results:

1. An unmodified report was issued on the basic financial statements.

2. One significant deficiency and two material weaknesses in internal control was disclosed by the audit of the basic financial statements.

3. There were two instances of noncompliance.

4. No significant deficiencies or material weaknesses in internal control over the major programs were disclosed by the audit of the basic financial statements.

5. An unmodified opinion was issued on compliance for the major programs.

6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.

7. The following programs were considered to be major programs:
   U.S. Department of Homeland Security/State of Louisiana, Military Department, Office of Homeland Security and Emergency Preparedness – Assistance to Firefighters Grant, CFDA 97.044.

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. The auditee did not qualify as a low-risk auditee.

CITY OF CROWLEY, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended August 31, 2018

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings –

See internal control finding 2018-001 through 2018-003 on the schedule of current and prior year findings and management's corrective action plan.

B. Compliance Findings –

See compliance finding 2018-004 and 2018-005 on the schedule of current and prior year findings and management's corrective action plan.

Part III. Findings and questioned costs for Major Federal awards which in accordance with 2 CFR section 200 of the Uniform Guidance:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

CITY OF CROWLEY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended August 31, 2018

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

A. Internal Control Over Financial Reporting

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

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

CRITERIA: AU-C§265.A37 identifies the following as a deficiency in the design of (internal) controls:

> "… in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements."

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mayor Tim Monceaux has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2018-002 <u>Financial Records/Reconciliations</u>

Fiscal year finding initially occurred: 2018

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

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

CAUSE: The cause of the condition was due to a software glitch when upgrading the accounting software which caused year end reconciliations to no longer agree to year end general ledger balances and the discrepancies were not caught prior to auditors getting final numbers.

EFFECT: Failure to reconcile the accounts mentioned above on a periodic basis increases the risk that account balances may not correspond between funds or be in balance. Additionally, unrecorded items may go undetected and the City may not be able to determine actual cash balances, or if proper funding is available to pay vendors and/or monthly bills.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City of Crowley will closely review bank reconciliations and interfund transactions and compare to financial statements for accuracy prior to releasing them to the audit firm.

2018-003 Asset Management

Fiscal year finding initially occurred: 2018

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

CRITERIA: Statements on Standards for Attestation Engagements (SSAE) AT§501.07 states:

> "Internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with the applicable financial reporting framework and includes those policies and procedures that:
>
> i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity..."

CAUSE: The cause of the condition is the result of failure to design or implement policies and procedures necessary to maintain records of additions and dispositions of fixed assets on a regular basis.

EFFECT: Failure to maintain an accurate and updated list of additions and dispositions could result in misappropriation of those assets or a material misstatement occurring in the government-wide financial statements.

RECOMMENDATION: Management should design or implement policies and procedures necessary to achieve adequate internal controls to track additions and dispositions of fixed assets.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Under new administration, the City will take an annual inventory of capital assets and compare it to the City's records to determine that the property and equipment listing represents actual items recorded on the City's books. The City will also track additions and dispositions of fixed assets on a regular basis.

B. Compliance

2018-004 Budget noncompliance

Fiscal year finding initially occurred: 2017

CONDITION: Revenues of the Sales Tax Fund, the One-Half Cent Sales Tax – Salary Fund, and the 2012 Sales Tax Infrastructure Improvement Fund fell short of budgeted revenues by more than 5%.

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

> "A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures.
>
> The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:
>
> (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent.
>
> (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
>
> (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures."

CAUSE: The condition is a result of failure to properly monitor the revenues of the City.

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.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Under new administration, Mayor Tim Monceaux will periodically compare actual activity to budgeted amounts and ensure to adopt budgetary amendments as necessary to comply with state statute.

2018-005 Bid law noncompliance/state contract

Fiscal year finding initially occurred: 2018

CONDITION: The City of Crowley may have violated state bid law when they purchased a vehicle under state contract and made modifications to the contract totaling $7,000 of upgrades and purchased the vehicle from a local vendor, which was not the vendor specified by state contract.

CRITERIA: LSA-R.S. 39:1710 allows purchase of items from a local vendor at the state bid price with certain limitations. The statute provides that: "When a local governing authority purchases an item at the state bid price through a local vendor, the local governing authority may pay to the local vendor the costs for shipping, preparation, and delivery of the item, provided that these costs shall not exceed the state bid price by seven percent on purchases up to ten thousand dollars, five percent on purchases over ten thousand dollars and up to twenty thousand dollars, and three percent on purchases over twenty thousand dollars."

CAUSE: The City of Crowley failed to appropriately apply state bid law.

EFFECT: Failure to properly apply state bid law procedures may put the City of Crowley in violation of the state's public bid law statutes.

RECOMMENDATION: Management should comply with the requirements of LSA-RS 39:1710 when purchasing off of state contract.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Under new administration, Mayor Tim Monceaux and the City of Crowley management will make sure that procedures are in place to comply with the thresholds established by LSA RS 39:1710 when purchasing at state bid price from a local vendor.

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended August 31, 2018

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2018-001.

B. Compliance

2017-002 Debt covenant noncompliance

CONDITION: The City did not make the December 2016 required sinking fund payment.

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

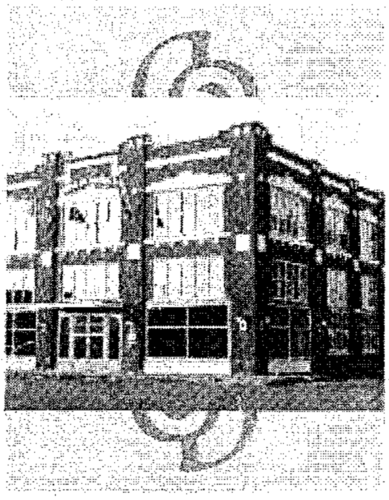
CURRENT STATUS: Resolved.

2017-003 Budget noncompliance

CONDITION: Expenditures of the One-Half Cent Sales Tax Salary Fund and the 2012 Sales Tax Infrastructure Improvement Fund exceeded budgeted expenditures by more than 5%. In addition, revenues of the 2012 Sales Tax Infrastructure Improvement Fund fail short of budgeted revenues by more than 5%.

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

CURRENT STATUS: Unresolved. See item 2018-004.



CITY OF Crowley
The Rice Capital of America.

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

The City of Crowley, Louisiana respectfully submits the following corrective action plan for the year ended August 31, 2018.

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

Audit Period: Fiscal year ended August 31, 2018

The findings from the August 31, 2018 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS -FINANCIAL AUDIT

Significant Deficiency

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

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

CORRECTIVE ACTION PLAN:
Under new administration, Mayor Tim Monceaux has evaluated the cost vs. benefit of establishing internal controls over the preparations of the financial statements in accordance with GAAP, and determined that it is in the best interest of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Material Weaknesses

2018-002 Financial Records/Reconciliations

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

Material Weaknesses (continued)

CORRECTIVE ACTION PLAN:
The City of Crowley will closely review bank reconciliations and interfund transactions and compare to financial statements for accuracy prior to releasing them to the audit firm.

2018-003 Asset Management

RECOMMENDATION: Management should design or implement policies and procedures necessary to achieve adequate internal controls to track additions and dispositions of fixed assets.

CORRECTIVE ACTION PLAN:
Under new administration the City will take an annual inventory of capital assets and compare it to the City's records to determine that the property and equipment listing represents actual items recorded on the city's books. The City will also track additions and dispositions of fixed assets on a regular basis.

Compliance

2018-004 Budget noncompliance

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

CORRECTIVE ACTION PLAN:
Under new administration, Mayor Tim Monceaux will periodically compare actual activity to budgeted amounts and ensure to adopt budgetary amendments as necessary to comply with the state statute.

2018-005 Bid law noncompliance/state contract

RECOMMENDATION: Management should comply with the requirements of LSA-RS 39:1710 when purchasing off of state contract.

CORRECTIVE ACTION PLAN:
Under new administration, Mayor Tim Monceaux and the City of Crowley will make sure that procedures are in place to comply with the thresholds established by LSA RS 39:1710 when purchasing at state bid price from a local vendor.

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

Sincerely,

Tim Monceaux
Mayor

CITY OF CROWLEY
Crowley, Louisiana

Agreed-Upon Procedures Report

Year Ended August 31, 2018

KOLDER, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

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

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

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

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

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

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

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

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Greg Jones, Mayor
and Members of the City Council,
City of Crowley, and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the City of Crowley (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period September 1, 2017 through August 31, 2018. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:

   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.

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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read 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.

Board or Finance Committee

2. We obtained and inspected 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) We observed 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, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, 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, we obtained the prior year audit report and we observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, we observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, we obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:

   a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

   b) Bank reconciliations included 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

4. We obtained 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 selected 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and we observed 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 verifies the reconciliation.

6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Alternately, we used 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. We obtained supporting documentation for each of the 10 deposits and:

   a) Observed that receipts are sequentially pre-numbered.

   b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Traced the deposit slip total to the actual deposit per the bank statement.

   d) Observed 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).

   e) Traced 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. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and we observed 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.

10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:

    a) Observed that the disbursement matched the related original invoice/billing statement.

    b) Observed 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. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:

    a) Observed 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, by someone other than the authorized card holder.

    b) Observed 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, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. For each transaction, we observed 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).

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

14. We obtained 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. We randomly selected 5 reimbursements, obtained 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, agreed the reimbursement rate to 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, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observed 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) Observed 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), observed that the original contract terms provided for such an amendment.

d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:

a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

b) Observed that supervisors approved the attendance and leave of the selected employees/officials.

c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and 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· we obtained ethics documentation from management, and:

a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

b. Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.

22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed 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. We observed 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.

Findings:

In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Bank Reconciliations, Disbursements, Travel and Expense Reimbursement, Contracts, and Other.

No exceptions were found as a result of applying procedures listed above except:

Collections:

1 of 26 receipts tested was deposited 2 days late.

1 of 26 receipts tested was deposited 4 days late.

3 of 26 receipts tested was deposited 5 days late.

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

2 of 5 cards tested were assessed finance charges and/or late fees.

2 of 17 transactions tested did not have documentation of the individuals participating in the meals.

8 of 17 transactions tested did not have written documentation of the business/public purpose.

Payroll and Personnel:

1 retirement payment was not paid by the due date.

1 payroll tax payment was not paid by the due date.

Ethics:

1 of 5 employees tested did not have documentation demonstrating he/she completed one hour of ethics training during the fiscal period.

5 of 5 employees tested did not have documentation demonstrating he/she attested through signature verification that he/she has read the entity's ethics policy during the fiscal period.

Management's Response:

Management of the City of Crowley concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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
February 27, 2019