

CITY COURT OF CROWLEY, LOUISIANA

Financial Report

Year Ended August 31, 2014

CITY COURT OF CROWLEY, LOUISIANA

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Thibodeaux Accounting Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of City Court of Crowley, Louisiana, a component unit of the City of Crowley, Louisiana, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Crowley, as of August 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Crowley's basic financial statements. The schedule of expenditures is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report February 2, 2015, on our consideration of the City Court of Crowley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of Crowley's internal control over financial reporting and compliance.


Thibodeaux Accounting Company
A Limited Liability Company

Basic Financial Statements
Government-Wide Financial Statements (GWFS)

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF NET POSITION
Year Ended August 31, 2014

With Comparative Actual Amounts for Year Ended August 31, 2013

	Governmental Activities	TOTALS	
		2014	(Memo Only) 2013
ASSETS			
Cash	\$ 123,467	\$ 123,467	\$ 167,327
Due from other funds	1,180	1,180	130
Capital assets, depreciable, net	40,388	40,388	44,461
Total Assets	<u>\$ 165,035</u>	<u>\$ 165,035</u>	<u>\$ 211,918</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts payable and accrued expenses	\$ 58,931	\$ 58,931	\$ 71,155
Due to other funds	1,180	1,180	-
Total Liabilities	<u>\$ 60,111</u>	<u>\$ 60,111</u>	<u>\$ 71,155</u>
NET POSITION			
Invested in capital assets	\$ 40,388	\$ 40,388	\$ 44,461
Unrestricted	64,536	64,536	96,302
Total Net Position	<u>\$ 104,924</u>	<u>\$ 104,924</u>	<u>\$ 140,763</u>
Total Liabilities and Net Position	<u>\$ 165,035</u>	<u>\$ 165,035</u>	<u>\$ 211,918</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF ACTIVITIES
Year Ended August 31, 2014

With Comparative Actual Amounts for Year Ended August 31, 2013

Function / Program	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position	
		Charges for Services, Fines, and Forfeits	Operating Contributions	2014 Governmental Activities	2013 (Memo Only)
Governmental activities:					
General government	\$ 557,194	\$ 416,196	\$ 68,500	\$ (72,498)	\$ (77,871)
General revenues:					
Transfers				36,659	53,039
Change in net position				\$ (35,839)	\$ (24,832)
Net position, beginning				140,763	165,595
Net position, ending				\$ 104,924	\$ 140,763

The accompanying notes are an integral part of this statement.

Fund Financial Statements

CITY COURT OF CROWLEY, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
Year Ended August 31, 2014

With Comparative Actual Amounts for Year Ended August 31, 2013

	City Court Fund	State Court Fund	Juvenile Fund	Other Government Funds	TOTALS	
					2014	(Memo Only) 2013
ASSETS						
Cash	\$ 27,334	\$ 64,053	\$ 4,217	\$ 27,863	\$ 123,467	\$ 167,327
Due from other funds	-	-	-	1,180	1,180	130
Total Assets	<u>\$ 27,334</u>	<u>\$ 64,053</u>	<u>\$ 4,217</u>	<u>\$ 29,043</u>	<u>\$ 124,647</u>	<u>\$ 167,457</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable and accrued expenses	\$ 51,622	\$ 7,093	\$ -	\$ 216	\$ 58,931	\$ 71,155
Due to other funds	1,000	180	-	-	1,180	-
Total Liabilities	<u>\$ 52,622</u>	<u>\$ 7,273</u>	<u>\$ -</u>	<u>\$ 216</u>	<u>\$ 60,111</u>	<u>\$ 71,155</u>
FUND BALANCES						
Unassigned	<u>(25,288)</u>	<u>56,780</u>	<u>4,217</u>	<u>28,827</u>	<u>64,536</u>	<u>96,302</u>
Total Liabilities and Fund Balances	<u>\$ 27,334</u>	<u>\$ 64,053</u>	<u>\$ 4,217</u>	<u>\$ 29,043</u>	<u>\$ 124,647</u>	<u>\$ 167,457</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended August 31, 2014

Total fund balances - Governmental funds	\$ 64,536
Total net assets for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.	
Capital assets, net	<u>40,388</u>
Net Position of Governmental Activities	<u>\$ 104,924</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended August 31, 2014

With Comparative Actual Amounts for Year Ended August 31, 2013

	City Court Fund	State Court Fund	Juvenile Fund	Other Government Funds	TOTALS	
					2014	(Memo Only) 2013
Revenues:						
Fines and forfeits	\$ 300,242	\$ 109,396	\$ 720	\$ 5,344	\$ 415,702	\$ 423,220
Intergovernmental	30,000	38,500	-	-	68,500	58,500
Miscellaneous income	250	-	-	244	494	9,021
Total Revenues	\$ 330,492	\$ 147,896	\$ 720	\$ 5,588	\$ 484,696	\$ 490,741
Expenditures:						
Current -						
General government:						
Salaries, payroll taxes, and retirement	\$ 174,771	\$ -	\$ -	\$ -	\$ 174,771	\$ 172,025
Office Expenses	1,497	8,046	-	8,874	18,417	19,792
Fines and fees	235,088	75,080	-	-	310,168	319,673
Professional services	4,183	16,800	-	-	20,983	19,100
District attorney fees	-	8,341	-	-	8,341	8,171
Miscellaneous	648	6,091	-	5,793	12,532	16,795
Total general government	\$ 416,187	\$ 114,358	\$ -	\$ 14,667	\$ 545,212	\$ 555,556
Capital Outlay	-	-	-	7,909	7,909	11,635
Total expenditures	\$ 416,187	\$ 114,358	\$ -	\$ 22,576	\$ 553,121	\$ 567,191
Excess (deficiency) of revenues over expenditures	\$ (85,695)	\$ 33,538	\$ 720	\$ (16,988)	\$ (68,425)	\$ (76,450)
Other sources (uses):						
Transfers out	\$ (14,552)	\$ (38,018)	\$ -	\$ (8,633)	\$ (61,203)	\$ (77,398)
Transfers in	73,224	1,438	-	23,200	97,862	130,437
Total other sources (uses):	\$ 58,672	\$ (36,580)	\$ -	\$ 14,567	\$ 36,659	\$ 53,039
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (27,023)	\$ (3,042)	\$ 720	\$ (2,421)	\$ (31,766)	\$ (23,411)
Fund balances, beginning	1,735	59,822	3,497	31,248	96,302	119,713
Fund balance, ending	\$ (25,288)	\$ 56,780	\$ 4,217	\$ 28,827	\$ 64,536	\$ 96,302

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended August 31, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (31,766)

The change in net position reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the costs of these
assets is allocated over their estimated useful lives as
depreciation expense.

Capital Outlay	\$ 7,909	
Depreciation expense	<u>(11,982)</u>	<u>\$ (4,073)</u>

Change in Net Position of Governmental Activities \$ (35,839)

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
Year Ended August 31, 2014

With Comparative Actual Amounts for Year Ended August 31, 2013

	Civil Fund	Other Agency Funds	TOTALS	
			2014	(Memo Only) 2013
ASSETS				
Cash held in trust	\$ 76,284	\$ 5,373	\$ 81,657	\$ 109,815
Due from other funds	449	-	449	449
Total Assets	<u>\$ 76,733</u>	<u>\$ 5,373</u>	<u>\$ 82,106</u>	<u>\$ 110,264</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 295	\$ 1,277	\$ 1,572	\$ 1,854
Due to other funds	-	449	449	579
Unsettled deposits	76,438	3,647	80,085	107,831
Total Liabilities	<u>\$ 76,733</u>	<u>\$ 5,373</u>	<u>\$ 82,106</u>	<u>\$ 110,264</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

Financial Reporting Entity:

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

Primary Government -

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

Component Units -

GASB Statement No. 14, "The Financial Reporting Entity", establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. A potential component unit must have separate corporate powers that distinguish it as being legally separate from the primary government. These include the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued in its own name without recourse to a state or local government, and the right to buy, sell, lease, and mortgage property in its own name.
2. The primary government must be financially accountable for a potential component unit. Financial accountability may exist as a result of the primary government appointing a voting majority of the potential component unit's governing body, their ability to impose their will on the potential component unit by significantly influencing the programs, projects, activities, or level of services performed or provided by the potential component unit, or the existence of a financial benefit or burden. In addition, financial accountability may also exist as a result of a potential component unit being fiscally dependent on the primary government.

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

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

Basis of Presentation:

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

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

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

Government-Wide Financial Statements –

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

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

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

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

Fund Financial Statements –

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

Governmental Funds:

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

The City Court reports the following major governmental funds:

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

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

Additionally, the City Court reports the following fund type:

Fiduciary Funds:

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

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

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Basis of Accounting – Measurement Focus:

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

Government-Wide and Fiduciary Fund Financial Statements –

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

Governmental Fund Financial Statements –

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

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

Investments:

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

Deposits:

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

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

due to other funds in the fund financial statements. Short-term interfund loans are classified as interfund receivables/payables in the fund financial statements.

Capital Assets and Depreciation:

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

Government-Wide Financial Statements –

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

Fund Financial Statements –

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

Unsettled Deposits:

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

Equity Classifications:

Government-Wide Financial Statements –

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

Fund Financial Statements –

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

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

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

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

Unassigned – all other spendable amounts.

Fund balances for the periods ending August 31, 2014:

	For year ended August 31, 2014					Total
	City Court Cost Fund	State Court Cost Fund	Juvenile Fund	Other Govt Funds		
Unassigned	\$ (25,288)	\$ 56,780	\$ 4,217	\$ 28,827	\$ 64,536	
Total Fund Balances	<u>\$ (25,288)</u>	<u>\$ 56,780</u>	<u>\$ 4,217</u>	<u>\$ 28,827</u>	<u>\$ 64,536</u>	

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

Compensated Absences:

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

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

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

Based on the above, no liability is recorded for accrued compensated absences in the financial statements as of August 31, 2014.

Interfund Transactions:

Quasi-external transactions are accounted for as revenues or expenditures/expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

of expenditures/expenses in the fund that is reimbursed. Legally authorized transfers are treated as operating transfers and are included in the results of operations. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates:

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

Impairment of Long-Lived Assets:

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

Note 2. Cash and Cash Equivalents

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

Note 3. Budgets

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

Note 4. Deposits with Financial Institutions

At August 31, 2014, the Court had cash and noninterest-bearing deposits (bank balances) as follows:

Demand Deposits	<u>\$ 217,224</u>
FDIC Insurance	\$ 250,000
Pledged Securities	<u>116,053</u>
Total of pledged securities and FDIC Insurance	<u>\$ 366,053</u>
Excess of pledged securities and FDIC Insurance over demand deposits	<u><u>\$ 148,829</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At August 31, 2014, the carrying amount of the Court's deposits was \$205,125 and the bank balance was \$217,224. The deposits are secured from risk by \$ 250,000 of FDIC insurance and \$116,053 of pledged securities.

Note 5. Capital Assets

Capital assets activity for the year ended August 31, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets				
Furniture and Equipment	\$ 147,221	\$ 7,909	\$ -	\$ 155,130
Less: accumulated depreciation	(102,760)	(11,982)	-	(114,742)
Total governmental activities capital assets, net	\$ 44,461	\$ (4,073)	\$ -	\$ 40,388

Depreciation expense for the year ended August 31, 2014 was charged as follows:

Governmental activities:	
General government	\$ 11,982

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

Note 6. Retirement

Louisiana State Employees' Retirement System

Plan Description:

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

All State permanent employees are mandated by State Law to participate in the System and all elected or appointed officials are eligible to participate in the System. Employees who retire at any age with 18 years of creditable service as a Judge or City Court officer, at or after age 50 with 20 years of creditable service, at least 12 years as a Judge or City Court officer, at or after age 55 with 12 years of creditable service as a Judge or City Court officer, or after age 70 without regard to number of years of creditable service as a Judge or City Court officer are entitled to a retirement benefit. The benefit is based on the average earned compensation for the 36 highest successive months of service. The benefit is 3.5% times the number of years of creditable service times the average compensation. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

termination. The System also provides death and disability benefits. Benefits are established by State statute.

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

Funding Policy:

Plan members are required to contribute 11.5% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate set annually by the Public Retirement Systems Actuarial Committee. The current employer contribution rate is 41.5%. The City Court's contributions to the System for the year ended August 31, 2014 and 2013 respectively, were \$19,940 and \$17,755, which is equal to the required contributions for each year.

Municipal Employees Retirement System of Louisiana

Plan Description:

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

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

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

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

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

Funding Policy:

Members of Plan A are required to contribute 9.5% of their annual covered salary and the City Court of Crowley is required to contribute at an actuarially determined rate. The current rate is 17.75% of annual covered payroll. The contribution requirement for the year ended August 31, 2014 was \$32,709, which consisted of \$21,774 from the City Court and \$10,935 from the employees.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 7. Interfund Transfers

Interfund transfers reported in the financial statements for the year ended August 31, 2014 consisted of the following:

	Transfers In	Transfers Out
Major Governmental Fund:		
City Court Fund	\$ 73,224	\$ 14,552
State Court Fund	1,438	38,018
Other Governmental Funds	23,200	2,352
Agency Funds	50,274	93,214
Total interfund transfers	\$ 148,136	\$ 148,136

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

Note 8. Risk Management

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

Note 9. Salaries and Benefits

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

Note 10. Interfund Balances

Interfund balances reported in the financial statements of August 31, 2014 consisted of the following:

	Receivables	Payables
Judicial Building Fund	\$ 1,180	\$ -
State Court Cost	-	180
City Court Cost	-	1,000
Civil Fund	449	-
Judicial Fees Fund	-	449
	\$ 1,629	\$ 1,629

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 11. Operating Lease

City Court is engaged in an operating lease with Ricoh Business Solutions for the use of a copy machine. Total expenditures for the lease totaled \$6,218 for the year ended August 31, 2014. The future minimum rental payments for these leases are as follows:

<u>Year Ending</u> <u>August 31</u>	<u>Amount</u>
2015	\$ 4,549
2016	<u>3,412</u>
Total	<u>\$ 7,961</u>

Note 12. Recently Issued Accounting Pronouncements

During the fiscal year ended August 31, 2013 the City Court adopted GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In April 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 must be implemented by the City Court of Crowley for the year ending August 31, 2014. This statement has no effect on the Court's financial statements.

In June 2012, the GASB approved Statement No. 67, "Financial Reporting for Pension Plans: and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the applicable retirement systems for the year ending August 31, 2014 and provisions of GASB Statement No. 68 must be implemented by the Court for the year ending August 31, 2015. The effect of implementation of these statements on the Court's financial statements has not yet been determined.

Note 13. Litigation

As of August 31, 2014 per their attorney, Thomas K. Regan, City Court of Crowley is the a defendant in a lawsuit titled *Stina Broussard, Lynette E. Simar and Maria Simon vs. Crowley City Court and Broussard, Poche, Lewis & Breaux, LLP*. This lawsuit has been file in Acadia Parish, Louisiana as docket no. 201211260. A petition against the Court with a cross claim against Broussard, Poche, Lewis & Breaux, LLP for indemnification in the event any liability against the Court is found. It is the plan of the Court to contest the liability vigorously since the Court contracted with the accounting firm to provide accounting services and specifically payroll management for employees in addition to compliance auditing of the

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

Court's financial statements. There are additional motions and defenses asserted as well as the claim for indemnification which indicates a low probability of success against the Court. The potential for financial impact as claimed by the Petitioners is the actuarial cost for the purchase of the service credits the employees claim they were entitled to. That calculation was made by the Municipal Employee Retirement Systems actuarial consultants and is set forth in a letter from GS Curran & Co. dated July 9, 2012. The estimated total amount for the employees' actuarial costs of purchase is approximately \$440,000.

Note 14. Evaluation of Subsequent Events

The City Court of Crowley has evaluated subsequent events through February 2, 2015, the date which the financial statements were available to be issued.

Required Supplemental Information

CITY COURT OF CROWLEY, LOUISIANA

CITY COURT COSTS FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2014

	2014			Variance-- Positive (Negative)	2013
	Budget		Actual		Actual
	Original	Final			
Revenues:					
City court costs	\$ 335,200	\$ 312,500	\$ 300,242	\$ (12,258)	\$ 309,086
Appropriation from City of Crowley	40,000	30,000	30,000	-	20,000
Miscellaneous income	-	250	250	-	9,021
Total Revenues	\$ 375,200	\$ 342,750	\$ 330,492	\$ (12,258)	\$ 338,107
Expenditures:					
Current -					
General government:					
Salaries, payroll taxes, and retirement	\$ 172,751	\$ 165,100	\$ 174,771	\$ (9,671)	\$ 172,025
Office Expenses	551	551	1,497	(946)	4,898
Fines and fees	255,166	227,700	235,088	(7,388)	245,536
Professional services	612	2,000	4,183	(2,183)	12,675
Miscellaneous	9,650	3,700	648	3,052	5,301
Total	\$ 438,730	\$ 399,051	\$ 416,187	\$ (17,136)	\$ 440,435
Capital Outlay	\$ -	\$ -	\$ -	-	\$ -
Total expenditures	\$ 438,730	\$ 399,051	\$ 416,187	\$ (17,136)	\$ 440,435
Excess (deficiency) of revenues over expenditures:	\$ (63,530)	\$ (56,301)	\$ (85,695)	\$ (29,394)	\$ (102,328)
Other sources (uses):					
Transfers to Judicial Bldg. Fund	\$ (13,204)	\$ (14,000)	\$ (14,269)	\$ (269)	\$ (13,339)
Transfers to State Court Cost Fund	(1,552)	(280)	(283)	(3)	(795)
Transfers to TASC	-	-	-	-	-
Transfers to Juvenile Fund	-	(45)	-	45	-
Transfers to Cash Bond Fund	-	-	-	-	-
Transfers to Judicial Fees Fund	-	-	-	-	(6,844)
Transfers from TASC	-	-	-	-	-
Transfers from Cash Bond Fund	-	1,200	1,197	(3)	2,279
Transfers from State Court Cost Fund	38,500	30,000	34,247	4,247	38,500
Transfers from Civil Fund	40,000	39,000	37,780	(1,220)	49,208
Transfers from Judicial Bldg. Fund	-	-	-	-	1,933
City of Crowley Insurance Claim	-	-	-	-	-
Total Transfers (Uses)	\$ 63,744	\$ 55,875	\$ 58,672	\$ 2,797	\$ 70,942
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 214	\$ (426)	\$ (27,023)	\$ (26,597)	\$ (31,386)
Fund balance, beginning of year	\$ 15,436	\$ 1,735	\$ 1,735	\$ -	\$ 33,121
Fund balance, end of year	\$ 15,650	\$ 1,309	\$ (25,288)	\$ (26,597)	\$ 1,735

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

STATE COURT COSTS FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2014

	2014			Variance-- Positive (Negative)	2013
	Budget		Actual		Actual
	Original	Final			
Revenues:					
State court costs	\$ 102,590	\$ 110,000	\$ 109,396	\$ (604)	\$ 106,480
Appropriation from Police Jury	38,500	38,500	38,500	-	38,500
Total Revenues	\$ 141,090	\$ 148,500	\$ 147,896	\$ (604)	\$ 144,980
Expenditures:					
Current -					
General government:					
Office Expenses	\$ 11,379	\$ 14,000	\$ 8,046	\$ 5,954	\$ 7,930
Fines and fees	73,714	79,026	75,080	3,946	74,137
Professional services	13,350	15,500	16,800	(1,300)	6,425
Retirement	-	4,200	-	4,200	-
District attorney fees	8,326	8,000	8,341	(341)	8,171
Miscellaneous	1,100	230	6,091	(5,861)	6,284
Total general government	\$ 107,869	\$ 120,956	\$ 114,358	\$ 6,598	\$ 102,947
Capital Outlay	\$ -	\$ 750	\$ -	750	\$ -
Total expenditures	\$ 107,869	\$ 121,706	\$ 114,358	\$ 7,348	\$ 102,947
Excess (deficiency) of revenues over expenditures:	\$ 33,221	\$ 26,794	\$ 33,538	\$ 5,994	\$ 42,033
Other sources (uses):					
Transfers to Juvenile Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Judicial Bldg. Fund	(2,696)	(3,750)	(3,771)	(21)	(2,679)
Transfers to City Fund	(38,500)	(30,000)	(34,247)	(4,247)	(38,500)
Transfers to TASC	-	-	-	-	(7,500)
Transfers to Civil Fund	-	-	-	-	(470)
Transfers to Cash Bond Fund	-	-	-	-	-
Transfers from TASC	-	-	-	-	7,500
Transfers from Cash Bond Fund	-	225	531	306	1,885
Transfers from City Fund	1,552	200	283	83	795
Transfers from Civil Fund	6,957	100	-	(100)	7,005
Transfers from Judicial Bldg. Fund	-	-	624	624	1,174
Total other sources (uses)	\$ (32,687)	\$ (33,225)	\$ (36,580)	\$ (3,355)	\$ (30,790)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 534	\$ (6,431)	\$ (3,042)	\$ 2,639	\$ 11,243
Fund balance, beginning of year	\$ 59,314	\$ 59,822	\$ 59,822	\$ -	\$ 48,579
Fund balance, end of year	\$ 59,848	\$ 53,391	\$ 56,780	\$ 2,639	\$ 59,822

The accompanying notes are an integral part of this statement.

Other Supplemental Information

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF EXPENDITURES - CITY COURT COST
August 31, 2014

With Comparative Amounts for Year Ended August 31, 2013

	<u>2014</u>	<u>(Memo Only)</u> <u>2013</u>
Expenditures:		
General Government--Judicial		
Office supplies	\$ 406	\$ 2,452
Crime lab	33,640	29,680
Salaries	132,048	139,050
Indigent defender	55,759	57,761
Crime victim reparation	9,491	10,717
LA state retirement	17,191	9,171
Payroll taxes	3,758	3,864
Convention	220	2,560
Law enforcement commission	2,540	2,722
Dues & subscriptions	540	1,228
Trial court mgmt info systems	3,706	2,747
Audit & accounting	2,000	10,475
Traumatic head & spinal cord injury	1,885	2,255
Insurance	551	551
Fines	90,916	101,760
Off duty officer fees	14,411	13,642
Copier lease	-	666
Restitution	500	12
Consulting	2,183	2,200
Refunds	812	1,261
Acadia crime stoppers	2,544	2,716
Marshal services	18,885	20,265
Travel Expense	387	822
Employer retirement contribution	21,774	19,939
Miscellaneous expense	40	1,919
Total General Government	<u>\$ 416,187</u>	<u>\$ 440,435</u>
Capital Outlay	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u><u>\$ 416,187</u></u>	<u><u>\$ 440,435</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF EXPENDITURES - STATE COURT COSTS

August 31, 2014

With Comparative Amounts for Year Ended August 31, 2013

	<u>2014</u>	<u>(Memo Only)</u> <u>2013</u>
Expenditures:		
General Government--Judicial		
Office supplies	\$ 8,046	\$ 7,930
Crime lab	12,587	11,274
Indigent defender	12,971	13,559
Crime victim reparation	2,211	2,169
Audit & accounting	16,800	6,425
Convention	150	375
Miscellaneous	3,080	3,874
Trial court mgmt info system	856	803
Traumatic head & spinal cord injury	260	180
Drug abuse education & treatment fund	1,134	1,043
Seminars & training	270	-
District attorney fees	8,341	8,171
Crime stoppers	600	596
Repairs & maintenance	2,858	2,035
Marshal's Fund	4,009	4,353
Reimbursements	6	-
Fines	30,684	31,901
DWI Testing	350	150
Restitution	6,652	6,090
Intox	25	100
Refunds	227	-
Law Enforcement Training	596	586
Off duty officers fees	1,645	1,333
Total Expenditures	<u>\$ 114,358</u>	<u>\$ 102,947</u>

The accompanying notes are an integral part of this statement.

**Compliance, Internal Control
and Other Information**

Thibodeaux Accounting Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Crowley, Louisiana, a component unit of the City of Crowley, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise City Court of Crowley's basic financial statements and have issued our report thereon dated February 2, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Crowley's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
February 2, 2015

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended August 31, 2014

2013-1 The actual beginning fund balance failed to meet the estimated fund balance by 5% or more for the City Court Cost Fund and the State Court Cost Fund.

Recommendation: The Court should make certain that the budgets are prepared in accordance with the Revised Statutes.

Status: Resolved

2013-2 The Court failed to have all employees take the required ethics training course for the 2012 calendar year.

Recommendation: The Court should educate themselves on the requirements of La. R.S. 42:1170 and comply with it.

Status: Resolved

2013-3 There is one employee collecting the fines, recording them in the court system and making out the deposit slips.

Recommendation: The Court should assign someone other than the person who collects the fines and records them to prepare the deposit slip and reconcile it to the collection report from the trial court system.

Status: Resolved

CITY COURT OF CROWLEY, LOUISIANA

Schedule of Findings
Year Ended August 31, 2014

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the City Court of Crowley, Louisiana's basic financial statements as of and for the year ended August 31, 2014.

Internal Control - Financial Reporting

There were no significant deficiencies in internal control over financial reporting that were disclosed by the audit of the financial statements for the period ended August 31, 2014.

Material Noncompliance – Financial Reporting

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

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

There were no current year audit findings.

CITY COURT OF CROWLEY, LOUISIANA

Corrective Action Plan
Year Ended August 31, 2014

There were no current year audit findings for the period ended August 31, 2014.