

**CITY OF NATCHITOCHEs, LOUISIANA
ANNUAL FINANCIAL REPORT**

MAY 31, 2013

City of Natchitoches, Louisiana
Annual Financial Report
May 31, 2013

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CITY OF NATCHITOCHEs

Oldest Settlement in the Louisiana Purchase

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FINANCE DEPARTMENT

Patrick G. Jones, Director

Management's Discussion and Analysis

This section of the City of Natchitoches' annual financial report offers readers a narrative overview and analysis of the financial performance of the City for the fiscal year ended on May 31, 2013. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June, 1999. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the City's financial statements, which immediately follow this section.

Financial Highlights

- The assets of the City of Natchitoches exceeded its liabilities at the close of the most recent fiscal year by \$123,663,347 (net position). Of this amount, \$29,631,912 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- As of the close of the current fiscal year, the City of Natchitoches' governmental funds reported combined ending fund balances of \$26,035,591. Of this total amount, \$526,596 is unassigned and available for use within the City's designation and policies. \$5,966,015 is assigned and intended for a specific purpose, but may be unassigned at any time.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,004,667 or 14% of the total general fund expenditures.
- The City's bond and notes payable totaled \$8,961,400.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) financial statements of individual funds, and 3) notes to the financial statements.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2013

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned, but unused, compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets and sanitation, economic development, health and welfare, recreation and culture, and interest on long-term debt. The business-type activities of the City include utilities administration, electric, water and sewer, and interest on long-term debt. The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of government's near-term financing decisions. Both the governmental funds balance sheet and the governmental statements of revenues, expenditures and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 51 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital projects sales tax funds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 13 through 19.

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2013

Propriety Funds - The City maintains only one type of propriety fund called an enterprise fund which is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its electric, water, and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water and sewer funds. The basic propriety fund financial statements can be found on pages 20 through 25 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 60.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Natchitoches, assets exceeded liabilities by \$123,663,347 as of May 31, 2013, which is an increase of \$3,300,615 above May 31, 2012.

The largest portion of the City's net position (68%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets, themselves, cannot be used to liquidate these liabilities.

City of Natchitoches' Net Position

	As of May 31, 2012			As of May 31, 2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$27,394,385	\$19,748,221	\$ 47,142,606	\$29,684,850	\$19,186,732	\$ 48,871,582
Capital assets	<u>38,061,469*</u>	<u>54,932,198</u>	<u>92,993,667</u>	<u>39,948,524</u>	<u>54,082,912</u>	<u>94,031,436</u>
Total Assets	<u>\$65,455,854</u>	<u>\$74,680,419</u>	<u>\$140,136,273</u>	<u>\$69,633,374</u>	<u>\$73,269,644</u>	<u>\$142,903,018</u>
Long term liabilities	\$ 8,672,718	\$ 646,720	\$ 9,319,438	\$ 8,703,080	\$ 693,638	\$ 9,396,718
Other liabilities	<u>3,852,076</u>	<u>6,602,038</u>	<u>10,454,114</u>	<u>3,649,259</u>	<u>5,634,678</u>	<u>9,283,937</u>
Total Liabilities	<u>\$12,524,794</u>	<u>\$ 7,248,758</u>	<u>\$ 19,773,552</u>	<u>\$12,352,339</u>	<u>\$ 6,328,316</u>	<u>\$ 18,680,655</u>
Deferred inflows of resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 559,016	\$ 559,016
Net Position:						
Net investment in capital assets	\$31,728,077*	\$51,040,756	\$ 82,768,833	\$33,813,894	\$51,256,142	\$ 85,070,036
Restricted	6,333,403	3,891,442	10,224,845	6,134,630	2,826,769	8,961,399
Unrestricted	<u>14,869,591</u>	<u>12,499,463</u>	<u>27,369,054</u>	<u>17,332,511</u>	<u>12,299,401</u>	<u>29,631,912</u>
Total Net Position	<u>\$52,931,071</u>	<u>\$67,431,661</u>	<u>\$120,362,732</u>	<u>\$57,281,035</u>	<u>\$66,382,312</u>	<u>\$123,663,347</u>

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis For Year Ended May 31, 2013

An additional portion of the City's net position (7%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$29,631,912 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table provides a summary of the City's operations for year ended May 31, 2012 and May 31, 2013. For both years, the City is able to report positive balances in all three categories of net position, both for the government, as a whole, as well as for its separate governmental and business-type activities.

City of Natchitoches' Changes in Net Position

	As of May 31, 2012			As of May 31, 2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Fees, fines and charges for services	\$ 2,995,317	\$35,642,726	\$ 38,638,043	\$ 2,964,638	\$32,825,021	\$ 35,789,659
Operating grants and contributions	1,406,681	0	1,406,681	2,235,109	0	2,235,109
Capital grants and contributions	1,229,988*	1,919,697	4,632,485	2,890,346	1,112,135	4,002,481
General Revenues:						
Ad valorem taxes	1,855,820	0	1,855,820	1,992,510	0	1,992,510
Sales and use tax	10,176,381	0	10,176,381	9,479,535	0	9,479,535
Franchise fees	372,860	0	372,860	863,331	0	863,331
Licenses and permits	732,779	0	732,779	827,894	0	827,894
Interest income	434,166	141,267	575,433	436,519	141,050	577,569
Gain (loss) on sale/retirement of fixed assets	407	(182,588)	(182,181)	(1,822)	64,306	62,484
Rental income	96,150	92,019	188,169	85,128	197,826	282,954
Insurance recoveries	18,222	12,199	30,421	18,514	29,166	47,679
Miscellaneous	<u>416,787</u>	<u>(1,261)</u>	<u>415,526</u>	<u>218,236</u>	<u>(6,377)</u>	<u>211,859</u>
Total Revenues	<u>\$19,735,558</u>	<u>\$37,624,059</u>	<u>\$ 57,359,617</u>	<u>\$22,009,938</u>	<u>\$34,363,127</u>	<u>\$ 56,373,064</u>
Expenses:						
General government	\$ 3,420,806	\$ 0	\$ 3,420,806	\$ 4,373,314	\$ 0	\$ 4,373,314
Public safety	8,311,020	0	8,311,020	9,599,922	0	9,599,922
Streets and sanitation	6,593,295*	0	6,593,295	4,349,721	0	4,349,721
Recreation and cultural	1,127,654	0	1,127,654	1,040,998	0	1,040,998
Interest on long-term debt	202,815	309,666	512,481	247,397	111,530	358,927
Water, sewer, and utilities	2,962,603	29,313,626	32,276,229	1,762,651	29,168,674	30,931,325
Economic development	2,163,752	0	2,163,752	1,876,818	0	1,876,818
Health and welfare	277,705	0	277,705	245,028	0	245,028
Information tech	<u>0</u>	<u>282,872</u>	<u>282,872</u>	<u>0</u>	<u>270,918</u>	<u>270,918</u>
Total Expenses	<u>\$25,059,650</u>	<u>\$29,906,164</u>	<u>\$ 54,965,814</u>	<u>\$23,495,849</u>	<u>\$29,551,122</u>	<u>\$ 53,046,971</u>

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2013

City of Natchitoches' Changes in Net Position (continued)

	As of May 31, 2012			As of May 31, 2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Increases in net position before transfers	\$ (5,324,092)	\$ 7,717,895	\$ 2,393,803	\$ (1,485,911)	\$ 4,812,005	\$ 3,326,093
Transfers	<u>5,983,802</u>	<u>(6,055,000)</u>	<u>(71,198)</u>	<u>5,835,875</u>	<u>(5,861,354)</u>	<u>(25,478)</u>
Increase in net position	\$ 659,710	\$ 1,662,895	\$ 2,322,605	\$ 4,349,964	\$ (1,049,349)	\$ 3,300,615
Net Position-June 1, 2011	<u>52,271,361</u>	<u>65,768,766</u>	<u>118,040,127</u>			
Net Position-May 31, 2012	<u>\$52,931,071</u>	<u>\$67,431,661</u>	<u>\$120,362,732</u>			
Net Position-June 1, 2012				<u>52,931,071</u>	<u>67,431,661</u>	<u>120,362,732</u>
Net Position-May 31, 2013				<u>\$57,281,035</u>	<u>\$66,382,312</u>	<u>\$123,663,347</u>

During the year 2013, an accounting adjustment was made that required the restatement of net position. The restatement is presented below:

	<u>General Fund</u>
Net Position June 1, 2012	\$54,198,175
Restatement	<u>(1,267,104)</u>
Net Position June 1, 2012, as restated	<u>\$52,931,071</u>

The restatement of \$1,276,104 in the governmental activities is to correct prior year capital asset balance. Infrastructure additions were miscalculated in the prior year. Balances affected are denoted with (*).

Financial Analysis of the Government's Funds

Governmental Funds - The focus of the City of Natchitoches' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Natchitoches' governmental funds reported combined ending fund balances of \$26,035,591 (a increase of 11% from 2012 fiscal year). Of this total amount, \$526,596 constitutes unassigned fund balance. \$5,966,015 is assigned and intended for a specific purpose, but may be unassigned at any time. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for debt service and to cover fund deficits.

General Fund Budgetary Highlights - During the year, the City made two revisions to the original appropriations approved by the City Council.

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2013

Capital Assets

The City of Natchitoches' investment in capital assets for its governmental and business-type activities as of May 31, 2013 amounts to \$94,031,436 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Beautification project at I-49 and LA Hwy 6.
- New Pierce Ladder Fire Truck with 100' aerial.
- Renovation at Central Fire Station to house 100' aerial apparatus.
- Improvements made to the water, sewer, and electric systems.
- Improvements made to the city airport.

Capital Assets at Year-end Net of Accumulated Depreciation As of May 31, 2013

	Governmental Activities	Business-Type Activities	Total
Land	\$ 7,608,862	\$ 758,408	\$ 8,367,270
Construction in Progress	711,899	4,370,769	5,082,668
Buildings	12,448,043	1,110,705	13,558,748
Equipment	3,032,476	845,777	3,878,253
Utility System	0	51,368,022	51,368,022
Infrastructure	<u>11,776,476</u>	<u>0</u>	<u>11,776,476</u>
Total	<u>\$35,577,756</u>	<u>\$58,453,681</u>	<u>\$94,031,437</u>

Additional information on the City of Natchitoches' capital assets can be found on pages 42 through 46 of this report.

Debt Administration

At the end of the current fiscal year, the City of Natchitoches had a total bonded debt and notes payable of \$8,961,400. Of this amount, \$6,134,631 comprises bonded debt backed by the full faith and credit of the government and \$2,826,769 represents bonds secured solely by utilities revenues.

Outstanding Debt at Year End Bond and Notes Payable As of May 31, 2013

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$6,134,631	\$ 0	\$ 6,134,631
Revenue Bonds Payable	<u>0</u>	<u>2,826,769</u>	<u>2,826,769</u>
Total	<u>\$6,134,631</u>	<u>\$2,826,769</u>	<u>\$8,961,400</u>

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2013

The City's current Standard and Poors bond rating is AAA.

Additional information on the City of Natchitoches' long-term debt can be found in the notes to financial statements section of this report.

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2013-14 budget, general fund revenues are budgeted at a 1 percent decrease from the 2012-13 budget year. Sales taxes are budgeted to remain unchanged. Taxes make up about 36% of the general fund budgeted revenues, and transfers make up about 48%. The 2013-14 utility fund operations are budgeted to break even. Economic growth and housing development are making a slow recovery.

Request for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, at P. O. Box 37, Natchitoches, Louisiana, 71458, call (318) 357-3825, or e-mail pjones@natchitochesla.gov.

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and the City Council of
Natchitoches, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Natchitoches, Louisiana (City) as of and for the year ended May 31, 2013, 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 and the *Louisiana Governmental Audit Guide*. 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.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units that would have been reported is unknown.

Adverse Opinion on Aggregate Discretely Presented Component Units – The Reporting Entity

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Natchitoches, the reporting entity, as of May 31, 2013, or the changes in financial position thereof for the year then ended.

Unmodified Opinions – The Primary Government

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, the fiduciary fund, and the aggregate remaining fund information of the City of Natchitoches, the primary government, as of May 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 management's discussion and analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Natchitoches' primary government. The budgetary comparisons listed as other required supplementary information in the table of contents and the combining nonmajor fund financial statements, are presented for purposes of additional analysis and are 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The schedule of expenditures of federal awards is also not a required part of the basic financial statements.

The budgetary comparison statements, combining nonmajor fund financial statements, and schedule of expenditures of federal awards are 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 budgetary comparison statements, combining nonmajor fund financial statements, and schedule of expenditures of federal awards are 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 dated October 24, 2013, on our consideration of the City of Natchitoches' 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 the City of Natchitoches' internal control over financial reporting and compliance.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

October 24, 2013
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Government-Wide Statement of Net Position
May 31, 2013

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets:			
Cash & Cash Equivalents	\$ 27,740,161	\$ 6,096,504	\$ 33,836,665
Receivables, net	1,911,828	4,129,972	6,041,800
Other Receivables	0	89,991	89,991
Inventories at Cost	0	1,511,167	1,511,167
Prepaid Expenses	32,861	112,139	145,000
Restricted Assets-			
Cash & Cash Equivalents	0	7,246,959	7,246,959
Capital Assets-			
Land	7,608,863	758,408	8,367,271
Buildings	16,291,242	1,899,438	18,190,680
Machinery & Equipment	2,360,712	10,085,260	12,445,972
Vehicles	5,308,459	1,451,563	6,760,022
Other Assets	863,220	310,366	1,173,586
Streets	92,561,315	0	92,561,315
Other Infrastructure	10,697,034	0	10,697,034
Construction in Progress	5,082,668	0	5,082,668
Utility Plant & System	0	76,199,590	76,199,590
Accumulated Depreciation	<u>(100,824,989)</u>	<u>(36,621,713)</u>	<u>(137,446,702)</u>
Total Assets	<u>\$ 69,633,374</u>	<u>\$ 73,269,644</u>	<u>\$ 142,903,018</u>
Liabilities:			
Cash Overdrafts	\$ 1,912,486	\$ 0	\$ 1,912,486
Accounts Payable	441,511	1,907,445	2,348,956
Accrued Payroll	187,811	55,683	243,494
Accrued Expenses	1,107,451	18,208	1,125,659
Payable from Restricted Assets-			
Bond Principal	0	2,826,769	2,826,769
Customer's Deposits	0	826,573	826,573
Long-term Debt-			
Due in One Year	853,902	0	853,902
Due in More than One Year	5,280,729	0	5,280,729
Net OPEB Obligation	541,701	161,786	703,487
Accrued Compensated Absences	<u>2,026,748</u>	<u>531,852</u>	<u>2,558,600</u>
Total Liabilities	<u>\$ 12,352,339</u>	<u>\$ 6,328,316</u>	<u>\$ 18,680,655</u>
Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 559,016</u>	<u>\$ 559,016</u>
Net Position:			
Net Investment in Capital Assets	\$ 33,813,894	\$ 51,256,142	\$ 85,070,036
Restricted for Debt Service	6,134,630	2,826,769	8,961,399
Unrestricted	<u>17,332,511</u>	<u>12,299,401</u>	<u>29,631,912</u>
Total Net Position	<u>\$ 57,281,035</u>	<u>\$ 66,382,312</u>	<u>\$ 123,663,347</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Government-Wide Statement of Activities
For the Year Ended May 31, 2013

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 4,373,314	\$ 10	\$ 408,298	\$ 0	\$ (3,965,006)	\$ 0	\$ (3,965,006)
Public Safety	9,599,922	262,957	1,441,680	870,772	(7,024,513)	0	(7,024,513)
Streets & Sanitation	4,349,721	1,999,120	0	0	(2,350,601)	0	(2,350,601)
Water, Sewer & Utilities	1,762,651	0	0	1,166,223	(596,428)	0	(596,428)
Economic Development	1,876,818	666,526	114,383	853,351	(242,558)	0	(242,558)
Health & Welfare	245,028	0	0	0	(245,028)	0	(245,028)
Recreation & Culture	1,040,998	36,025	270,748	0	(734,225)	0	(734,225)
Interest on Long-term Debt	<u>247,397</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(247,397)</u>	<u>0</u>	<u>(247,397)</u>
Total Governmental Activities	\$23,495,849	\$ 2,964,638	\$2,235,109	\$2,890,346	\$(15,405,756)	\$ 0	\$(15,405,756)
Business-Type Activities:							
Utilities Administration	\$ 1,356,887	\$ 1,089,743	\$ 0	\$ 0	\$ 0	\$ (267,144)	\$ (267,144)
Electric	22,486,959	26,893,923	0	354,940	0	4,761,904	4,761,904
Water	3,178,618	3,389,762	0	658,665	0	869,809	869,809
Sewer	2,146,210	1,451,593	0	98,530	0	(596,087)	(596,087)
Information Technology	270,918	0	0	0	0	(270,918)	(270,918)
Interest on Long-term Debt	<u>111,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(111,530)</u>	<u>(111,530)</u>
Total Business-Type Activities	\$29,551,122	\$32,825,021	\$ 0	\$1,112,135	\$ 0	\$ 4,386,034	\$ 4,386,034
Total Government	\$53,046,971	\$35,789,659	\$2,235,109	\$4,002,481	\$(15,405,756)	\$ 4,386,034	\$(11,019,722)
General Revenues:							
Taxes-							
Ad Valorem					\$ 1,992,510	\$ 0	\$ 1,992,510
Sales & Use					9,479,535	0	9,479,535
Franchise					863,331	0	863,331
Licenses & Permits					827,894	0	827,894
Interest Income					436,519	141,050	577,569
Gain (Loss) on Sale of Assets					(1,822)	64,306	62,484
Rental Income					85,128	197,826	282,954
Insurance Recoveries					18,514	29,166	47,679
Miscellaneous					218,236	(6,377)	211,859
Transfers					<u>5,835,875</u>	<u>(5,861,354)</u>	<u>(25,478)</u>
Total General Revenues & Transfers					\$ 19,755,720	\$ (5,435,383)	\$ 14,320,337
Change in Net Position					\$ 4,349,964	\$ (1,049,349)	\$ 3,300,615
Net Position at Beginning of Year							
(Restated – See note 20)					<u>52,931,071</u>	<u>67,431,661</u>	<u>120,362,732</u>
Net Position at End of Year					<u>\$ 57,281,035</u>	<u>\$ 66,382,312</u>	<u>\$ 123,663,347</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Balance Sheet-Governmental Funds
May 31, 2013

	<u>Major Funds</u>			Total Governmental Funds
	General Fund	Capital Projects Sales Tax Fund	Nonmajor Funds	
<u>Assets</u>				
Cash & Cash Equivalents	\$2,370,243	\$16,790,945	\$ 8,578,973	\$27,740,161
Revenue Receivables	387,842	310,269	1,213,717	1,911,828
Due from Other Funds	0	0	2,000	2,000
Prepaid Expenses	<u>8,992</u>	<u>0</u>	<u>23,869</u>	<u>32,861</u>
Total Assets	<u>\$2,767,077</u>	<u>\$17,101,214</u>	<u>\$ 9,818,559</u>	<u>\$29,686,850</u>
<u>Liabilities</u>				
Cash Overdrafts	\$ 0	\$ 0	\$ 1,912,486	\$ 1,912,486
Accounts Payable	93,157	36,136	312,218	441,511
Accrued Expenses	481,005	133,576	492,870	1,107,451
Due to Other Funds	0	0	2,000	2,000
Accrued Payroll	<u>179,256</u>	<u>0</u>	<u>8,555</u>	<u>187,811</u>
Total Liabilities	<u>\$ 753,418</u>	<u>\$ 169,712</u>	<u>\$ 2,728,129</u>	<u>\$ 3,651,259</u>
<u>Fund Balance</u>				
Nonspendable	\$ 8,992	\$ 0	\$ 0	\$ 8,992
Restricted	0	16,931,502	2,602,486	19,533,988
Committed	0	0	5,966,015	5,966,015
Unassigned	<u>2,004,667</u>	<u>0</u>	<u>(1,478,071)</u>	<u>526,596</u>
Total Fund Balances	<u>\$2,013,659</u>	<u>\$16,931,502</u>	<u>\$ 7,090,430</u>	<u>\$26,035,591</u>
Total Liabilities & Fund Balances	<u>\$2,767,077</u>	<u>\$17,101,214</u>	<u>\$ 9,818,559</u>	<u>\$29,686,850</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
May 31, 2013

Total Fund Balances of the Governmental Funds \$ 26,035,591

Amounts reported for Governmental Activities
in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not
current financial resources and, therefore, are not reported
in the Governmental Funds Balance Sheet-

Capital Assets	140,773,513
Less, Accumulated Depreciation	(100,824,989)

Long-term Liabilities are not due and payable in the
current period and, therefore, are not reported
in the Governmental Funds Balance Sheet-

Long-term Debt	(6,134,631)
Net OPEB Obligation	(541,701)
Accrued Compensated Absences	<u>(2,026,748)</u>

Total Net Position of Governmental Activities \$ 57,281,035

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended May 31, 2013

	<u>Major Funds</u>			Total Governmental Funds
	<u>General Fund</u>	Capital Projects <u>Sales Tax Fund</u>	Nonmajor <u>Funds</u>	
REVENUES:				
Taxes	\$ 4,914,105	\$ 3,725,095	\$ 3,696,176	\$12,335,376
Licenses & Permits	827,894	0	0	827,894
Intergovernmental	1,261,967	0	3,863,489	5,125,456
Charges for Services	78,431	0	2,659,295	2,737,726
Fines & Forfeits	163,410	0	63,501	226,911
Miscellaneous	<u>286,385</u>	<u>71,894</u>	<u>276,601</u>	<u>634,880</u>
Total Revenues	<u>\$ 7,532,192</u>	<u>\$ 3,796,989</u>	<u>\$10,559,062</u>	<u>\$21,888,243</u>
EXPENDITURES:				
Current-				
General Government	\$ 2,936,009	\$ 158,160	\$ 1,082,304	\$ 4,176,473
Public Safety	7,909,412	0	2,505,473	10,414,885
Streets & Sanitation	1,427,850	0	2,280,832	3,708,682
Water, Sewer & Utilities	0	841,456	2,367,046	3,208,502
Economic Development	278,767	0	2,281,417	2,560,184
Health & Welfare	234,288	0	7,525	241,813
Recreation & Culture	853,171	0	44,784	897,955
Debt Service	<u>82,708</u>	<u>753,732</u>	<u>501,038</u>	<u>1,337,478</u>
Total Expenditures	<u>\$13,722,205</u>	<u>\$ 1,753,348</u>	<u>\$11,070,419</u>	<u>\$26,545,972</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (6,190,013)</u>	<u>\$ 2,043,641</u>	<u>\$ (511,357)</u>	<u>\$ (4,657,729)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 7,076,502	\$ 0	\$ 4,496,760	\$11,573,262
Operating Transfers Out	(1,190,897)	(857,300)	(3,689,190)	(5,737,387)
Debt Proceeds	0	0	891,309	891,309
Sale of Capital Assets	<u>423,827</u>	<u>0</u>	<u>0</u>	<u>423,827</u>
Total Other Financing	<u>\$ 6,309,432</u>	<u>\$ (857,300)</u>	<u>\$ 1,698,879</u>	<u>\$ 7,151,011</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 119,419	\$ 1,186,341	\$ 1,187,522	\$ 2,493,282
Fund Balances- Beginning of Year	<u>1,894,240</u>	<u>15,745,161</u>	<u>5,902,908</u>	<u>23,542,309</u>
Fund Balances- End of Year	<u>\$ 2,013,659</u>	<u>\$16,931,502</u>	<u>\$ 7,090,430</u>	<u>\$26,035,591</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
Year Ended May 31, 2013

Net Change in Fund Balance - Governmental Funds	\$2,493,282
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is

6,247,941

Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is

(1,684,652)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

General Obligation Debt Payments	1,090,081
Net OPEB Obligation	(110,162)
Accrued Compensated Absences	(118,983)

Proceeds of Long-term Debt are shown as revenues in the Governmental Funds, but the debt increases Long-term Liabilities in the Statement of Net Position	(891,309)
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The net affect of sales transactions involving capital assets is to decrease net position:

Decrease in Capital Assets	(3,653,656)
Decrease in Accumulated Depreciation	<u>977,422</u>

Change in Net Position of Governmental Activities	<u>\$ 4,349,964</u>
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City of Natchitoches, Louisiana
Statement of Net Position
Proprietary Fund
Year Ended May 31, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 6,096,504
Receivables	2,287,123
Less, Allowance for Doubtful Accounts	(300,000)
Unbilled Receivables	2,142,849
Inventory at Cost	1,511,167
Prepaid Expenses	<u>112,139</u>
Total Current Assets	<u>\$ 11,849,782</u>
Restricted Assets-	
Cash & Cash Equivalents-	
Bond Reserve Accounts	\$ 2,436,162
Bond Redemption Accounts	4,328,277
Customer's Deposit Accounts	<u>482,520</u>
Total Restricted Assets	<u>\$ 7,246,959</u>
Noncurrent Assets-	
Land	\$ 758,408
Buildings	1,899,438
Machinery & Equipment	10,085,260
Vehicles	1,451,563
Other Assets	310,366
Electric System	20,856,421
Water System	33,479,815
Sewer System	21,863,354
Less, Accumulated Depreciation	<u>(36,621,713)</u>
Total Noncurrent Assets	<u>\$ 54,082,912</u>
Other Assets-	
Other Receivables	\$ <u>89,991</u>
Total Assets	<u>\$ 73,269,644</u>
Liabilities-	
Current Liabilities-	
Accounts Payable	\$ 1,907,445
Accrued Payroll	55,683
Accrued Expenses	18,208
Accrued Employee Vacations	<u>26,592</u>
Total Current Liabilities	<u>\$ 2,007,928</u>
Liabilities Payable from Restricted Assets-	
Current Portion of Revenue Bonds	\$ 1,101,769
Customer's Deposits	<u>826,573</u>
Total Payable from Restricted Assets	<u>\$ 1,928,342</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Net Position
Proprietary Fund
Year Ended May 31, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Noncurrent Liabilities-	
Revenue Bonds Payable	\$ 1,725,000
Net OPEB Obligation	161,786
Accrued Employee Vacations	<u>505,260</u>
Total Noncurrent Liabilities	\$ <u>2,392,046</u>
Total Liabilities	\$ <u>6,328,316</u>
Deferred Inflows of Resources	\$ <u>559,016</u>
Net Position-	
Net Investment in Capital Assets	\$ 51,256,142
Restricted for-	
Revenue Bond Retirement	2,826,769
Unrestricted	<u>12,299,401</u>
Total Net Position	\$ <u>66,382,312</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended May 31, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Operating Revenues:	
Charges for Services-	
Electric	\$26,893,923
Water	3,389,762
Sewer	1,451,593
Miscellaneous-	
Penalties & Charges	392,803
New Account and Reconnect Fees	94,475
Production Credits	578,218
Bad Debt Recovery	2,390
Other	<u>21,857</u>
Total Operating Revenues	<u>\$32,825,021</u>
Operating Expenses:	
Utility Administration-	
Personnel Services	\$ 568,425
Utilities & Telephone	29,890
Supplies	392,008
Maintenance	94,099
Uncollectible Accounts	<u>272,465</u>
Total Administration	<u>\$ 1,356,887</u>
Electric-	
Personnel Services	\$ 1,412,834
Power Purchased	19,647,369
System Maintenance	657,942
Depreciation	581,531
Supplies & Miscellaneous	<u>187,283</u>
Total Electric	<u>\$22,486,959</u>
Water-	
Personnel Services	\$ 568,632
Treatment Expenses	805,005
System Maintenance	465,977
Utilities	281,708
Depreciation	912,638
Supplies & Miscellaneous	<u>144,658</u>
Total Water	<u>\$ 3,178,618</u>
Sewer-	
Personnel Services	\$ 700,152
Treatment Expenses	175,940
System Maintenance	173,913
Utilities	215,460
Depreciation	607,176
Supplies & Miscellaneous	<u>273,569</u>
Total Sewer	<u>\$ 2,146,210</u>

See notes to financial statements.

Continued next page.

City of Natchitoches, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended May 31, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Information Technology Department-	
Personnel Services	\$ 145,555
Computer Software & Maintenance	113,563
Supplies & Maintenance	<u>11,800</u>
Total Information Technology Department	\$ <u>270,918</u>
 Total Operating Expenses	 \$ <u>29,439,592</u>
 Income from Operations	 \$ <u>3,385,429</u>
Non-operating Revenues (Expenses):	
Interest Income	\$ 141,050
Insurance Recoveries	29,166
Gain (Loss) on Sale of Assets	64,306
Loss on Investments	(6,377)
Rental Income	197,826
Interest Expense	<u>(111,530)</u>
Total Non-operating Revenues (Expenses)	\$ <u>314,441</u>
 Income Before Contributions and Transfers	 \$ <u>3,699,870</u>
Contributions and Transfers-	
Capital Contributions from Other Funds	\$ 1,112,135
Transfers Out	(6,748,393)
Transfers In	<u>887,039</u>
Total Contributions and Transfers	\$ <u>(4,749,219)</u>
 Change in Net Position	 \$ (1,049,349)
 Net Position at Beginning of Year	 <u>67,431,661</u>
 Net Position at End of Year	 <u>\$66,382,312</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Cash Flows
Proprietary Fund
Year Ended May 31, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 33,442,096
Cash Received from Customer Deposits	8,542
Cash Payments to Suppliers for Goods and Services	(23,631,636)
Cash Payments to Employees	<u>(3,461,089)</u>
Net Cash Provided by Operating Activities	<u>\$ 6,357,913</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental Income	\$ 197,826
Transfers to Other Funds	(6,748,393)
Transfers from Other Funds	<u>887,039</u>
Net Cash Used by Non-capital Financing Activities	<u>\$ (5,663,528)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Gain on Sale of Assets	\$ 64,306
Insurance Recoveries	29,166
Acquisition and Construction of Capital Assets	(139,922)
Principal Paid on Capital Debt	(1,064,673)
Interest Paid on Capital Debt	<u>(111,530)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (1,222,653)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	\$ 141,050
Loss on Investments	<u>(6,377)</u>
Net Cash Provided by Investing Activities	<u>\$ 134,673</u>
Net Increase in Cash & Cash Equivalents	\$ (393,595)
CASH & CASH EQUIVALENTS:	
Beginning of Year	<u>13,737,058</u>
End of Year	<u>\$ 13,343,463</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Cash Flows
Proprietary Fund
Year Ended May 31, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income from Operations	\$ 3,385,429
ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	2,101,345
Changes in Assets and Liabilities-	
Increase in Accounts Receivable	(95,459)
Decrease in Inventory	103,594
Decrease in Prepaid Expenses	6,239
Decrease in Other Receivables	153,519
Increase in Accounts Payable	201,010
Decrease in Accrued Payroll	(112,409)
Increase in Accrued Expenses	170
Increase in Compensated Absences	14,011
Increase in Net OPEB	32,907
Increase in Customer's Deposits	8,542
Increase in Deferred Inflows/Outflows	<u>559,015</u>
Net Cash Provided by Operating Activities	<u>\$ 6,357,913</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
<p>During the past year, the Enterprise Fund received Capital Assets with a net value of \$1,112,135 that were purchased and/or constructed by the Governmental Funds.</p>	
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:	
Current Assets-	
Cash and Cash Equivalents	\$ 6,096,504
Restricted Assets-	
Cash and Cash Equivalents	<u>7,246,959</u>
Total Cash and Cash Equivalents	<u>\$13,343,463</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Fiduciary Net Position
Agency Fund
Cash Bond Fund
Year Ended May 31, 2013

<u>Assets</u>	
Accounts Receivable	<u>\$15,282</u>
<u>Liabilities</u>	
Cash Bonds Held for Future Disposition	<u>\$15,282</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

Introduction

The City of Natchitoches (the City) was founded in 1714 and incorporated in 1822. The City currently operates under a Home Rule Charter adopted on January 27, 1975. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: police and fire protection, streets and drainage, parks and recreation, certain social services, and general administration services. The City owns and operates one enterprise activity, a utilities system which distributes electricity and provides water and sewer services.

1. Summary of Significant Accounting Policies

The financial statements of the City of Natchitoches have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The 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. Governmental Accounting Standards Board (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 is described below.

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the City of Natchitoches to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City of Natchitoches.
2. Organizations for which the City of Natchitoches does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

Based on the previous criteria, the City of Natchitoches has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Criteria Used</u>
Natchitoches City Court	2 and 3
Natchitoches City Marshal	2 and 3
Waterworks District No. 1	1 and 3

The City of Natchitoches has chosen to issue financial statements of the primary government (City) which exclude the above listed component units. Individual financial statement for the above agencies may be obtained by writing P. O. Box 37, Natchitoches, Louisiana 71458-0037.

Various other entities operate within the City of Natchitoches, and many of these include “Natchitoches” within their name. These entities are not considered as reportable component units within the City’s financial statements since the City does not exercise control over them.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. They include all funds of the reporting entity except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

City of Natchitoches, Louisiana
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Fund Financial Statements

The financial statements of the City of Natchitoches are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, 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, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The 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 for those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Funds

Capital projects funds are used to account for the acquisition or construction of major capital facilities.

Debt Service Funds

Debt service funds are used to account for accumulation of resources for and payment of general long-term debt principal, interest, and related costs.

City of Natchitoches, Louisiana
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Proprietary Fund-

Enterprise Fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund-

Agency Funds

Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Natchitoches, Louisiana
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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. Sales taxes are considered as “measurable” when in the hands of the Sales Tax Collector, and are recognized as revenue at that time. Ad Valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Other major revenues that are considered susceptible to accrual include earned grant revenues, charges for services, and interest earned on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively measurable.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

1. General Fund-To account for resources traditionally associated with governments that are not required to be accounted for in another fund.
2. Sales Tax Capital Projects Fund-To account for the collection and administration of a 1% sales tax levy which is dedicated to water and sewer expenditures and to the payment of the DEQ Bonds issued to construct a new wastewater treatment plant.

D. Budgets and Budgetary Accounting

Annual budgets are adopted and recorded in the accounting records for all governmental type funds. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. At least forty-five days prior to the beginning of each fiscal year, the Mayor submits to the City Council a proposed budget in the form required by the City’s Charter.
2. At the meeting of the Council at which the operating budget is submitted, the Council orders a public hearing on the budget, and orders the official journal to publish at least ten days prior to such meeting, the time and place thereof, a general summary of the proposed budget, and the times and places where copies of the proposed budget are available for public inspection.
3. Adoption of the budget is required no later than the last regular meeting of the last month of the fiscal year prior to the fiscal year for which the budget pertains.

City of Natchitoches, Louisiana
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4. Formal budgetary integration is employed as a management control tool during the year. Funds in excess of the budgetary amounts cannot be obligated without the Finance Director's approval. Funds in excess of those budgeted for an entire department (or fund) cannot be obligated without the Mayor's approval. These procedures render control at the departmental/fund level.
5. The budget can be amended after adoption, by the Mayor submitting an amended budget to the Council, and the adoption of the amended budget by the Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles as applied to governmental units.

Budget amounts shown in the financial statements are as originally adopted, or as amended with procedures required by the City's Charter.

E. Cash and Cash Investments

The City has deposits in several types of highly liquid investment vehicles such as certificates of deposit. Since all of the City's cash is readily available, these deposits are listed in these statements as "Cash and Cash Equivalents". Under State law, the City may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The City may also purchase investments in securities backed by the full faith and credit of the United States Government.

F. Inventories

Inventories of supplies in the proprietary fund are valued at cost (moving average).

G. Bad Debts

Uncollectible amounts due for customer's utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Allowance for bad debts at May 31, 2013 was \$300,000, which was not changed from the prior year.

City of Natchitoches, Louisiana
Notes to Financial Statements
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H. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost 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 \$5,000 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Sewer System	50 years
Water & Utility	50 years
Buildings & building improvements	40-50 years
Streets & sidewalks	25 years
Furniture & fixtures	5-7 years
Vehicles	5-15 years
Equipment	5-12 years

I. Compensated Absences

Employees of the City earn vacation hours based on the number of years of continuous service. Accrued vacation time is only allowed for full-time employees and not permanent part-time employees. Sick leave shall be accrued by each full-time employee at a rate of 12 days per year. Vacation and sick leave may be accumulated from year to year. Upon termination/retirement, employees are entitled to be paid a maximum of 480 hours of sick leave, 480 hours vacation, and 240 hours of compensatory time. These compensated absences are recorded as a liability in each of the City's funds that have payroll expenditures.

J. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between the individual funds. These interfund receivables/payables are classified on the balance sheet as "Due from Other Funds" or "Due to Other Funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

City of Natchitoches, Louisiana
Notes to Financial Statements
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K. Interfund Transactions

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 7,076,502	\$1,190,897
Special Revenue Funds-		
Hazard Tax	6,009	1,013,448
Sales Tax Police	0	2,019,970
Events Center Operations	277,880	0
Airport Operations	121,815	0
Local Government Assistance	14,047	0
Main Street Promotions	1,000	0
Asst. FF Grant/Vehicle Fund	70,481	0
Miss Merry Christmas	4,450	0
Knock Knock Grant	6,260	0
The Rapides Foundation	346	0
Garbage Service	100,000	0
Employee Benefits	279,450	0
Liability Insurance	832,000	200,000
Workman's Compensation Fund	0	128,955
Litter Abatement	0	2,189
Keep Louisiana Beautiful	2,189	0
Debt Service General Obligations	176,450	7,534
Capital Projects Funds-		
Capital Projects-Sales Tax	0	857,300
Capital Improvements-Special	1,220,000	311,085
Utility Improvements-CLECO	600,000	0
DOTD Phase II Fund	73,376	0
Pilgrims Industrial Fund	5,000	0
Virginia Baker Park	7,535	0
Capital Improvements - Streets	500,000	0

City of Natchitoches, Louisiana
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	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Community Water Enrichment	47,851	0
Riverbank Wall Fund	1,675	0
EECBG Fund	0	6,009
LCDBG - Housing	1,565	0
Water Treatment Plant Fund	147,381	0
Enterprise Fund- Utility	887,039	6,748,393
Agency Fund- Police Bond	<u>25,479</u>	<u>0</u>
Totals	<u>\$12,485,780</u>	<u>\$12,485,780</u>

Transfers are primarily used to move funds:

- From the Proprietary Fund to the General Fund so that excess revenues can be used for governmental services.
- From the Proprietary Fund to the Capital Projects Funds to fund expansion of the Utility Fund.
- From the Sales Tax Police Fund to the General Fund to cover cost of police operations.
- From the Hazard Tax Fund to the General Fund to fund cost of police and fire operations.
- From the Capital Projects Sales Tax Fund to the Utility Improvements Fund for utility improvement projects.
- Other miscellaneous transfers to move operation monies to and from various funds.

L. Prepays

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and for bond payments which are due immediately after the fiscal year end.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

M. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position.

In the fund financial statements, governmental fund types recognize debt issued as other financing sources. Repayment of the principal and interest is shown as an expenditure.

N. Restricted Assets

Certain resources of the Utility Fund are classified as restricted assets on the balance sheet because their use is limited by bond ordinances, or because they represent customers' deposits being held by the fund.

O. Fund Equity

In the fund statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2012, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

City of Natchitoches, Louisiana
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The General Fund has an unassigned fund balance of \$2,004,667. If applicable, the City would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

The purpose of nonspendable, restricted, and committed fund balances is as follows:

	Prepaid Items	Debt Service	Acquisition of Capital Assets	Public Safety	Recreation & Culture	Economic Development	Workman's Compensation Insurance	Liability Insurance	Total
Nonspendable:									
General Fund	\$8,992	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,992
Restricted:									
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects-Sales Tax	0	2,355,000	14,576,502	0	0	0	0	0	16,931,502
Hazard Tax	0	343,914	0	0	0	0	0	0	343,914
Multi-Drug Task Force	0	0	0	5,734	0	0	0	0	5,734
Stop Grant	0	0	0	807	0	0	0	0	807
Prisoner Bond	0	0	0	28,250	0	0	0	0	28,250
LLEBG Grant Fund	0	0	0	5,890	0	0	0	0	5,890
Sales Tax Police	0	0	0	696,633	0	0	0	0	696,633
Water Treatment Plant	0	1,484,761	0	0	0	0	0	0	1,484,761
DOTD Gateway Ph. II	0	0	36,497	0	0	0	0	0	36,497
Total	\$ 0	\$4,183,675	\$14,612,999	\$737,314	\$ 0	\$ 0	\$ 0	\$ 0	\$19,533,988
Committed:									
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Event Center Operations	0	0	0	0	0	86,908	0	0	86,908
Workman's Compensation	0	0	0	0	0	0	396,769	0	396,769
Drug Recovery	0	0	0	20,142	0	0	0	0	20,142
911 Grant Fire	0	0	0	75,776	0	0	0	0	75,776
Animal Shelter	0	0	0	22,274	0	0	0	0	22,274
Liability Insurance	0	0	0	0	0	0	0	776,975	776,975
Main Street Promotions	0	0	0	0	39,766	0	0	0	39,766
Cane River Green Market	0	0	0	0	0	6,628	0	0	6,628
911-Police Grant	0	0	0	48,880	0	0	0	0	48,880
NW Law Enforcement	0	0	0	1,130	0	0	0	0	1,130
Assistance to Firefighters	0	0	0	13,309	0	0	0	0	13,309
State Office of Culture Dev.	0	0	0	0	0	10,833	0	0	10,833
Keep Louisiana Beautiful	0	0	0	0	0	3,086	0	0	3,086
LAC/Traffic Enforcement Prog.	0	0	0	0	10,621	0	0	0	10,621
Miss Merry Christmas	0	0	0	0	993	0	0	0	993
Natchitoches Tri-Centennial	0	0	0	0	550	0	0	0	550
Capital Improvements	0	0	1,837,168	0	0	0	0	0	1,837,168
Street Improvements Fund	0	0	509,137	0	0	0	0	0	509,137
Utility Improvements Fund	0	0	2,078,667	0	0	0	0	0	2,078,667
Parking Lot Construction	0	0	26,403	0	0	0	0	0	26,403
Total	\$ 0	\$ 0	\$ 4,451,375	\$181,511	\$51,930	\$107,455	\$396,769	\$776,975	\$ 5,966,015

City of Natchitoches, Louisiana
Notes to Financial Statements
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P. Net Position

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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expenses.

Q. Bond Issuance Costs

Bond discounts and issuance costs are shown as expenditures in the current period for both governmental and business-type activities.

R. Estimates

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

City of Natchitoches, Louisiana
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S. Recently Issued and Adopted Accounting Pronouncements

In June 2011, the GASB issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. GASB 64 provides clarification on whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement is effective for periods beginning after June 15, 2011. The adoption of GASB 64 does not have any impact on the City's current financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements;

Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 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 four components; assets, deferred outflows of resources, liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011.

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011. The City does not have any SCAs and therefore the adoption of GASB 60 does not have any impact on the City's financial statements.

City of Natchitoches, Louisiana
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In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 properly classifies and recognizes certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 although the City elected to early implement statement 65 in calendar year 2012.

2. Ad Valorem Taxes

The City levies taxes on real and business personal property located within the boundaries of the City. Property taxes are levied by the City on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Natchitoches Tax Commission bills and collects property taxes for the City. Collections are remitted to the City monthly. The City recognizes property tax revenues when levied.

<u>Property Tax Calendar</u>	
Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties & interest added	January 31
Lien date	January 31
Tax sale	May 15

For the year ended May 31, 2013, taxes of 17.03 mills were levied on property with an assessed valuation totaling \$118,120,940 and were dedicated as follows:

General Corporate Purposes	7.03 mills	indefinite
Special Taxes	10.00 mills	expires 2018

Total taxes collected were \$1,992,510 after small adjustments were made to the original tax roll. A tax sale was held on May 15, 2013, and most uncollected taxes were collected on that date. Uncollected taxes average less than 2% of total taxes levied, and no provision for uncollectibles is made.

The five largest taxpayers and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
Alliance Compressors	\$ 8,510,950
Pilgrim's Pride	3,155,200
AT&T Southeast Tax Dept.	2,635,080
Wal-mart Store, Inc.	2,486,520
Bank of Montgomery	<u>1,480,530</u>
Total	<u>\$18,268,280</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
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3. Restricted Assets-Proprietary Fund Type

Restricted assets of the Utility Fund were applicable to the following at May 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Bond Reserve Account	\$2,436,162	\$2,424,386
Customer's Deposit Account	482,520	479,368
Bond Interest & Redemption Account	<u>4,328,277</u>	<u>4,328,277</u>
Total	<u>\$7,246,959</u>	<u>\$7,232,031</u>

4. Capital Assets

Capital assets and depreciation activity as of and for the year ended May 31, 2013, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
General Fund-					
Capital Assets; not depreciated-					
Land	\$ 5,149,977	\$ 543,162	\$ 59,389	\$0	\$ 5,633,750
Capital Assets; depreciated-					
Buildings	5,244,362	478,695	400,000	0	5,323,057
Furniture & Fixtures	29,224	0	29,224	0	0
Machinery & Equipment	2,613,881	98,623	718,679	0	1,993,825
Vehicles	4,270,005	1,063,636	93,705	0	5,239,934
Other Assets	848,117	0	0	0	848,117
Streets	92,542,080*	19,235	0	0	92,561,315
Other Infrastructure	<u>5,660,840</u>	<u>494,922</u>	<u>6,770</u>	<u>0</u>	<u>6,148,994</u>
Total Assets	<u>\$116,358,486</u>	<u>\$2,698,273</u>	<u>\$1,307,767</u>	<u>\$0</u>	<u>\$117,748,992</u>
Accumulated Depreciation-					
Buildings	\$ 2,100,535	\$ 133,530	\$ 109,482	\$0	\$ 2,124,583
Furniture & Fixtures	28,653	0	28,653	0	0
Machinery & Equipment	2,022,723	145,210	711,686	0	1,456,247
Vehicles	3,126,252	296,249	93,706	0	3,328,795
Other Assets	274,714	78,999	0	0	353,713
Streets	85,155,933*	522,680	0	0	85,678,613
Other Infrastructure	<u>4,649,017</u>	<u>123,931</u>	<u>4,539</u>	<u>0</u>	<u>4,768,409</u>
Total Accumulated Depn.	<u>\$ 97,357,827</u>	<u>\$1,300,599</u>	<u>\$ 948,066</u>	<u>\$0</u>	<u>\$ 97,710,360</u>

*See note 20.

City of Natchitoches, Louisiana
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Airport Fund-					
Capital Assets; not depreciated-					
Land	\$ 335,500	\$ 0	\$ 0	\$0	\$ 335,500
Capital Assets; depreciated-					
Buildings	1,018,682	471,685	0	0	1,490,367
Other Infrastructure	3,308,308	147,970	0	0	3,456,278
Machinery & Equipment	147,968	9,056	0	0	157,024
Furniture & Fixtures	15,103	0	0	0	15,103
Vehicles	<u>22,551</u>	<u>23,039</u>	<u>0</u>	<u>0</u>	<u>45,590</u>
Total Assets	<u>\$ 4,848,112</u>	<u>\$ 651,750</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 5,499,862</u>
Accumulated Depreciation-					
Buildings	\$ 302,936	\$ 34,311	\$ 0	\$ 0	\$ 337,247
Other Infrastructure	831,043	90,044	0	0	921,087
Machinery & Equipment	87,913	20,277	0	0	108,190
Furniture & Fixtures	7,049	3,021	0	0	10,070
Vehicles	<u>22,259</u>	<u>2,980</u>	<u>0</u>	<u>0</u>	<u>25,239</u>
Total Accumulated Depn.	<u>\$ 1,251,200</u>	<u>\$ 150,633</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 1,401,833</u>
Convention Center Fund-					
Capital Assets; not depreciated-					
Land	\$ 822,234	\$ 59,389	\$ 0	\$0	\$ 881,623
Capital Assets; depreciated-					
Buildings	8,582,907	894,912	0	0	9,477,819
Vehicles	22,935	0	0	0	22,935
Machinery & Equipment	232,096	0	22,232	0	209,864
Furniture & Fixtures	<u>8,947</u>	<u>0</u>	<u>8,947</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 9,669,119</u>	<u>\$ 954,301</u>	<u>\$ 31,179</u>	<u>\$0</u>	<u>\$ 10,592,241</u>
Accumulated Depreciation-					
Buildings	\$ 1,157,338	\$ 224,032	\$ 0	\$0	\$ 1,381,370
Vehicles	22,935	0	0	0	22,935
Machinery & Equipment	210,337	4,800	20,410	0	194,727
Furniture & Fixtures	<u>8,946</u>	<u>0</u>	<u>8,946</u>	<u>0</u>	<u>0</u>
Total Accumulated Depn.	<u>\$ 1,399,556</u>	<u>\$ 228,832</u>	<u>\$ 29,356</u>	<u>\$0</u>	<u>\$ 1,599,032</u>
Sabine Bank/Industrial Park/Pilgrim's-					
Capital Assets; not depreciated-					
Land	\$ 757,989	\$ 0	\$ 0	\$0	\$ 757,989
Capital Assets; depreciated-					
Other Infrastructure	<u>1,091,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,091,762</u>
Total Assets	<u>\$ 1,849,751</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 1,849,751</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Accumulated Depreciation- Other Infrastructure	\$ <u>109,176</u>	\$ <u>4,588</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>113,764</u>
Total Accumulated Depn.	\$ <u>109,176</u>	\$ <u>4,588</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>113,764</u>
Events Center Parking Lot- Construction in Progress	\$ <u>842,814</u>	\$ <u>52,098</u>	\$ <u>894,912</u>	\$ <u>0</u>	\$ <u>0</u>
Rehab Water Treatment Plant- Construction in Progress	\$ <u>2,924,917</u>	\$ <u>1,445,852</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>4,370,769</u>
Virginia Baker Park- Construction in Progress	\$ <u>438,772</u>	\$ <u>30,646</u>	\$ <u>469,418</u>	\$ <u>0</u>	\$ <u>0</u>
Fire Stations Improvements- Construction in Progress	\$ <u>425,013</u>	\$ <u>53,682</u>	\$ <u>478,695</u>	\$ <u>0</u>	\$ <u>0</u>
Airport Hangar- Construction in Progress	\$ <u>402,999</u>	\$ <u>68,686</u>	\$ <u>471,685</u>	\$ <u>0</u>	\$ <u>0</u>
Central Fire Station Bay Renovation- Construction in Progress	\$ <u>0</u>	\$ <u>91,278</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>91,278</u>
Airport Taxiway & Apron- Construction in Progress	\$ <u>19,875</u>	\$ <u>106,624</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>126,499</u>
Hotel Land Development- Construction in Progress	\$ <u>399,371</u>	\$ <u>94,751</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>494,122</u>
Total Assets-Governmental Funds	\$ <u>138,179,529*</u>	\$ <u>6,247,941</u>	\$ <u>3,653,656</u>	\$ <u>0</u>	\$ <u>140,773,513</u>
Total Accumulated Depn.	\$ <u>100,177,759*</u>	\$ <u>1,684,652</u>	\$ <u>977,422</u>	\$ <u>0</u>	\$ <u>100,824,989</u>
Total Nets Assets	\$ <u>38,001,770*</u>	\$ <u>4,563,289</u>	\$ <u>2,676,234</u>	\$ <u>0</u>	\$ <u>39,948,524</u>

*See note 20.

City of Natchitoches, Louisiana
Notes to Financial Statements
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Depreciation expense of \$1,684,652 for the year ended May 31, 2013, was charged to the following governmental functions:

General Fund-	
Finance Department	\$ 50,650
Community Development Department	58,351
Planning & Zoning Department	3,663
Fire Department	147,368
Recreation Department	173,708
Public Works Department	679,781
Purchasing Department	6,906
Police Department	180,172
Airport Fund	150,633
Convention Center	228,832
Industrial Park South	<u>4,588</u>
 Total	 <u>\$1,684,652</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Utility Fund-					
Capital Assets; not depreciated-					
Land	\$ 758,408	\$ 0	\$ 0	\$0	\$ 758,408
Capital Assets; depreciated-					
Buildings	1,899,438	0	0	0	1,899,438
Furniture & Fixtures	315,231	0	4,865	0	310,366
Machinery & Equipment	9,888,022	302,171	104,933	0	10,085,260
Vehicles	1,319,919	131,644	0	0	1,451,563
Electric System	20,687,691	256,408	87,678	0	20,856,421
Water System	32,941,888	561,836	23,909	0	33,479,815
Sewer System	<u>21,907,667</u>	<u>0</u>	<u>44,313</u>	<u>0</u>	<u>21,863,354</u>
Total Assets	<u>\$89,718,264</u>	<u>\$1,252,059</u>	<u>\$ 265,698</u>	<u>\$0</u>	<u>\$90,704,625</u>
Accumulated Depreciation-					
Buildings	\$ 750,743	\$ 37,990	\$ 0	\$0	\$ 788,733
Furniture & Fixtures	315,231	0	4,865	0	310,366
Machinery & Equipment	8,986,497	509,511	104,933	0	9,391,075
Vehicles	1,273,236	26,735	0	0	1,299,971
Electric System	6,253,469	418,882	87,678	0	6,584,673
Water System	10,614,910	670,074	23,909	0	11,261,075
Sewer System	<u>6,591,980</u>	<u>438,153</u>	<u>44,313</u>	<u>0</u>	<u>6,985,820</u>
Total Accumulated Depn.	<u>\$34,786,066</u>	<u>\$2,101,345</u>	<u>\$ 265,698</u>	<u>\$0</u>	<u>\$36,621,713</u>
 Total Net Assets	 <u>\$54,932,198</u>	 <u>\$ (849,286)</u>	 <u>\$ 0</u>	 <u>\$0</u>	 <u>\$54,082,912</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
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Depreciation expense of \$2,101,345 for the year ended May 31, 2013, was charged to the following business-type functions:

Electric System	\$ 581,531
Water System	912,638
Sewer System	<u>607,176</u>
 Total Utility Fund	 <u>\$2,101,345</u>

5. Long-Term Debt

General Obligation-At May 31, 2013, the City had the following outstanding general obligation bond issues:

- 1) Bonds payable to the Louisiana Department of Environmental Quality. Series 2002 bonds are also referred to as DHH/DEQ #6. The bonds were issued for the construction of a new water treatment plant. Total bond proceeds were \$2,999,000. These bonds are to be repaid from the Sales Tax Capital Projects Fund.
- 2) Series 2003 Bonds, also referred to as the Sales Tax Refunding Bonds, in the amount of \$5,630,000 were issued during the year ended May 31, 2004, to refund various bond issues that were outstanding at the beginning of the year. These bonds are to be repaid from the Sales Tax Capital Projects Fund.
- 3) Series 2003 Certificate of Indebtedness in the amount of \$2,090,000 was issued during the year ended May 31, 2004, to refund \$590,000 in outstanding bonds and to provide additional funds in the amount of \$1,500,000. The \$590,000 in refunded bonds were for the Police Department, and \$590,000 of the debt issue is to be paid from the Sales Tax Police Fund. The remaining \$1,500,000 was used to purchase various equipment items for the City, and is to be repaid from excess funds from any source. The City expects to pay this debt with transfers from the Utility Fund.
- 4) Capital lease with Oshkosh Capital for the purchase of three fire trucks. The original lease was for \$677,384 and lease payments began on October 29, 2008. The lease is to be repaid from the Hazard Tax Fund.
- 5) Capital lease with Scott Financial for the purchase of an excavator. This lease was entered into on February 25, 2009, and was originally for \$106,700. The lease was repaid from the General Fund and final payment was made in fiscal year 2013.
- 6) Capital lease with Komatsu Financial for the purchase of an excavator. This lease was entered into on November 14, 2008, and was originally for \$114,775. The lease was repaid from the General Fund and final payment was made in fiscal year 2013.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

- 7) Series 2009 Bonds, also referred to as the Safe Drinking Water Revolving Loan Fund, in the amount of \$5,000,000 were authorized during the year ended May 31, 2009 to fund the rehabilitation of Water Treatment Plant #1. As of May 31, 2013, total bond proceeds were \$3,353,734, of which \$1,000,000 are American Recovery and Reinvestment Act (ARRA) funds. These bonds are to be repaid from the Utility Fund.
- 8) Purchase agreement dated May 2012, with the Thaxton Family Trusts for the purchase of land at the intersection of Second Street and Amulet Street. The original purchase price was \$233,563, with annual payments to be made over five years with no interest payments. This debt is being paid by the Capital Improvements Special Fund.

Revenue Bonds-The City has issued several series of bonds for improvements to the utility system, and also to refund other bond issues. All of these debt issues are secured by the revenues of the Utility Fund, and are being reported within that fund. These revenue bond issues are:

- 1) 1993 Series A, DEQ Loan #3.
- 2) Series 2003 A Bonds.
- 3) Series 2003 B Bonds.
- 4) 1999 Revenue, DEQ Loan #5.

General Obligations and Revenue Bonds Outstanding at May 31, 2013, are as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
General Obligation-				
DEQ #6	08-15-02	01-01-23	3.95%	\$2,085,000
Series 2003 Refunding	08-13-03	07-01-14	3.00%	270,000
Series 2003 C of I	08-13-03	08-01-13	3.00%	175,000
Oshkosh Capital	12-13-07	10-29-17	1.75%	376,208
Series 2009 Revolving	12-13-09	12-01-30	2.95%	3,104,034
Thaxton Family Trusts	05-01-12	05-01-16	0.00%	<u>124,389</u>
Total General Obligation Debt				<u>\$6,134,631</u>
Revenue Bonds-				
1993 Series A, DEQ #3	06-01-99	12-01-13	2.95%	\$ 296,769
Series 2003 A	08-13-04	12-01-22	4.00%	1,235,000
Series 2003 B	08-13-04	12-01-22	4.00%	620,000
1999 Revenue, DEQ #5	07-20-99	07-20-19	3.45%	<u>675,000</u>
Total Revenue Bonds				<u>\$2,826,769</u>
Total General Obligation and Revenue Bonds Payable				<u>\$8,961,400</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
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The annual debt service requirements to maturity of all long-term debt outstanding at May 31, 2013, excluding interest payments of \$1,983,241 are as follows:

Year Ending <u>May 31</u>	General <u>Obligation</u>	Revenue <u>Bonds</u>	<u>Total</u>
2014	\$ 853,902	\$1,101,770	\$1,955,672
2015	421,694	195,000	616,694
2016	434,772	200,000	634,772
2017	410,399	210,000	620,399
2018	425,446	220,000	645,446
2019	354,607	230,000	584,607
2020	367,843	240,000	607,843
Thereafter	<u>2,865,968</u>	<u>430,000</u>	<u>2,995,968</u>
Total	<u>\$6,134,631</u>	<u>\$2,826,769</u>	<u>\$8,961,400</u>

The following is a summary of changes in long-term debt for the year ended May 31, 2013:

	Balance <u>06-01-12</u>	<u>Additions</u>	<u>Reduction</u>	Balance <u>05-31-13</u>
General Obligation	\$ 6,333,403	\$ 891,309	\$1,090,081	\$ 6,134,631
Revenue Bonds	3,891,442	0	1,064,673	2,826,769
Compensated Absences	<u>2,425,620</u>	<u>132,980</u>	<u>0</u>	<u>2,558,600</u>
Total	<u>\$12,650,465</u>	<u>\$1,024,289</u>	<u>\$2,154,754</u>	<u>\$11,520,000</u>

6. Dedication of Proceeds and Flow of Funds-Sales and Use Tax

The City of Natchitoches levies two 1%, and one .5% sales and use tax, all with indefinite expiration dates. One of the 1% sales and use tax levies is dedicated to the General Fund, to be used as operating monies. Collections for 2013 were \$3,725,093. The .5% levy is dedicated to the Police Department. Collections for 2013 were \$1,862,548.

Proceeds of the other 1% tax are dedicated to the following purposes:

1. To pay the reasonable cost of the collection and administration of the tax.
2. To pay DEQ advances and to pay interest and principal on sales tax bonds to be issued to finance sewer construction.
3. Any excess after the above payments are made is dedicated and can be used for any one or more of the following: construction, extending, maintaining, and improving sewers and sewerage disposal works and waterworks facilities and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works.

City of Natchitoches, Louisiana
Notes to Financial Statements
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7. Flow of Funds, Restriction on Use-Enterprise Fund

Under the terms of the bond indentures relating to Utility Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special accounts:

1. Out of revenue, to the "Operations and Maintenance Account", an amount sufficient to provide for expenses of the system.
2. Each month, there should be set aside into an account called the "Sinking Fund", an amount constituting 1/12 of the next maturing yearly installment principal payment, and 1/6 of the next six month interest payment. These funds can only be used for payment of bond principal and interest.
3. There should also be set aside into a "Bond Reserve Account", an amount equal to 20% of the principal and interest payments required during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. These monies may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the "Bond and Interest Redemption Account".
4. Funds must also be set aside into a "Contingency Account" at the rate of 7% of the adjusted income of the Utility Fund. Money in this account may also be used to pay principal and interest on the bonds falling due at a time when there is not sufficient money for payment in the other bond funds. This fund can be used for major repairs to the system. The amount in the account should not be reduced below \$15,000. No payment is required to be made into this fund anytime the balance equals or exceeds \$1,000,000.
5. All of the revenue received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

8. Employment Retirement Systems

Substantially all employees of the City of Natchitoches are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

City of Natchitoches, Louisiana
Notes to Financial Statements
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A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials who were serving on January 1, 1997, are eligible to participate in the System. Those serving after January 1, 1997, with the exception of the mayor, are not eligible to participate in the System. For municipalities that joined the System prior to May 9, 2001, the mayors are required to be members of the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation for each year of creditable service.

“Final compensation” for a member whose first employment making him eligible for membership in the system began on or before June 30, 2008, means a member’s average monthly earnings during the highest paid thirty-six consecutive months or joined months if service was interrupted. However, the earnings to be considered for the thirteenth through the twenty-fourth month may not exceed one hundred and twenty-five percent of the earnings for the first through the twelfth month and the earnings to be considered for the final twelve months may not exceed one hundred and twenty-five percent of the earnings of the thirteenth through the twenty-fourth month.

“Final compensation” for a member whose first employment making him eligible for membership in the system began on or after July 1, 2008, means a member’s average monthly earnings during the highest paid sixty consecutive months or joined months if service was interrupted. However, the earnings to be considered for the thirteenth through the twenty-fourth month may not exceed one hundred and twenty-five percent of the earnings for the first through the twelfth months. The earnings to be considered for the twenty-fifth through the thirty-sixth month may not exceed one hundred twenty-five percent of the earnings for the thirteenth through the twenty-fourth months. The earnings for the thirty-seventh through the forty-eighth month may not exceed one hundred and twenty-five percent of the earnings of the twenty-fifth through the thirty-sixth months. The earnings for the forty-ninth through the sixtieth months may not exceed one hundred twenty-five percent of the earnings for the thirty-seventh through the forty-eighth months.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Natchitoches is required to contribute at an actuarially determined rate. The current rate is 17 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Natchitoches are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Natchitoches' contributions to the System under Plan A for the years ending May 31, 2013, 2012 and 2011, were \$898,528, \$816,697, and \$718,647, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire with 25 years or more at any age, at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10.00 percent of their annual covered salary and the City of Natchitoches is required to contribute at an actuarially determined rate. The current rate is 31 percent of annual covered payroll. The contribution requirements of plan members and the City of Natchitoches are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Natchitoches' contributions to the System for the years ending May 31, 2013, 2012, and 2011, were \$751,671, \$610,279, and \$560,822, respectively, equal to the required contributions for each year.

City of Natchitoches, Louisiana
Notes to Financial Statements
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C. Firefighters Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire with 25 years or more at any age, at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service.

Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters Retirement System, Post Office Box 95095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 10 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 24 percent of annual covered payroll. The contribution requirements of plan members and the City of Natchitoches are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Natchitoches' contributions to the System for the years ending May 31, 2013, 2012, and 2011, were \$479,482, \$452,601, and \$408,521, respectively, equal to the required contributions for each year.

9. Pending Litigation/Contingencies

Various lawsuits are presently pending against the City of Natchitoches. In all but one case where damages are being sought from the City, attorneys for the City are of the opinion that any judgments rendered in favor of the plaintiffs or payments resulting from compromise settlements, if any, will be within the limits of the various insurance coverages carried by the City. The one case where the City could have exposure at May 31, 2013, is a possible class action suit in which a class of persons has alleged the City failed to properly fund the firefighters' retirement system. The City's monetary exposure to this suit, if any, is not known.

City of Natchitoches, Louisiana
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10. Cash and Investments

Cash and investments are held separately by each of the City's funds. At May 31, 2013, cash and investments totaled \$39,171,138 (book balances), including \$3,615 cash on hand. Bank account and investment balances at May 31, 2013, totaled \$40,344,036, and of this amount \$4,989,670 was secured by government securities. The remaining amount was secured as follows: \$1,440,041 with FDIC insurance and \$33,914,325 with pledged securities.

Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the City.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, LA R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

11. Compensation of City Councilmen

A detail of compensation paid to individual council members for the year ended May 31, 2013 follows:

Don Mims	\$10,729
Larry Payne	8,329
Sylvia Morrow	8,329
Dale A. Nielsen	8,329
David Stamey	<u>7,945</u>
Total	<u>\$43,661</u>

12. Lease Agreements

The City of Natchitoches has entered into the following long-term lease agreements:

- 1) Waterworks District Number 1 of Natchitoches Parish for a period of fifty years from 1980. This District was originally created to construct a water source, and furnish water to residents of Ward One of Natchitoches Parish, including those residents living within the City's boundaries. The agreement provides that the City operate the water system, including billing the consumers and collecting for services, furnishing all labor, materials, and equipment to operate and maintain the system. The agreement calls for the City to lease the water system from the Water District for an annual payment of \$3,600. The Waterworks District retains control of and responsibility for the water source.

City of Natchitoches, Louisiana
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May 31, 2013

- 2) Cold Water Properties, LLC for a period of five years beginning May 1, 2010. The agreement provides that Cold Water Properties, LLC will lease lot 20 of the airport for \$4,800 per year. At the end of the five-year term, the lessee will have an option to extend the lease an additional five years.
- 3) Flight Academy of New Orleans for Lot 1A at the airport. The rent will be \$300 per month for the first six months beginning April 1, 2012 and will increase to \$783 per month effective October 1, 2012. The rent shall then change to \$750 per month effective December 1, 2012 and will increase to \$2,350 per month effective June 1, 2013 and will remain that until March 31, 2022, the end of the lease.
- 4) Motorola Solutions for three-year period for lease-purchase of communication equipment beginning September 28, 2012. The lease payments will be \$119,243 per year, and the first payment will not be made until October 1, 2013.

13. Receivables

The following is a summary of receivables at May 31, 2013:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>	<u>Agency Funds</u>
Tax, Licenses & Permits- Sales & Use Tax	\$341,287	\$155,135	\$ 405,164	\$ 0	\$ 0
Intergovernmental- Federal	0	0	0	0	0
State	0	20,007	612,588	0	0
Local	43,866	0	0	0	0
Other Receivables	<u>2,689</u>	<u>330,443</u>	<u>649</u>	<u>4,429,972</u>	<u>15,282</u>
Total	<u>\$387,842</u>	<u>\$505,585</u>	<u>\$1,018,401</u>	<u>\$4,429,972</u>	<u>\$15,282</u>

All receivables for the governmental funds are considered to be collectible, and no allowance for bad debt is used. Allowance for bad debts for the proprietary funds is \$300,000.

14. Accounts, Salaries, and Other Payables

A summary of payables at May 31, 2013, is as follows:

<u>Class of Payables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>
Accounts Payable	\$ 93,157	\$223,023	\$125,331	\$1,907,445
Accrued Payroll	179,256	8,555	0	55,683
Accrued Expenses	<u>481,005</u>	<u>67,456</u>	<u>558,990</u>	<u>18,208</u>
Total	<u>\$753,418</u>	<u>\$299,034</u>	<u>\$684,321</u>	<u>\$1,981,336</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

15. Fund Deficits

The following individual funds have deficits in unassigned fund balances at May 31, 2013:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Funds-	
Airport Operations	\$ 107,946
Employee Benefits	89,594
Knock-Knock Grant	212
Garbage Service	469,850
NHDDC Projects	9,832
Economic Development Districts	178,559
Local Government Assistance Program	4,366
Capital Projects Funds-	
Pilgrim's Industrial Park	454,448
DOTD/LA 478 UT Relocation	134
Airport Maintenance	12,615
Airport Hangar	<u>150,515</u>
Total	<u>\$1,487,071</u>

Special Revenue Funds - These deficits will be funded by transfers from other funds in future years. The Garbage Service Fund deficit will be recouped in small increments over the life of the five-year contract.

Capital Projects Funds - These deficits are caused by ongoing construction and will be funded in the next fiscal year by grant revenues and by transfers from other funds.

In addition to deficit fund balances, the City has various funds which have cash overdrafts. Of the total cash deficits of \$1,912,486, \$953,316 will be funded by the receipt of revenue receivables and the remaining \$959,170 will be funded by interfund transfers in future years.

16. Postemployment Benefits

Plan Description. The City of Natchitoches' medical benefits are provided through a self-insured comprehensive 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. There is the additional requirement for retiree medical benefits that the retiree have at least twenty years of service with the City of Natchitoches. Complete plan provisions are included in the official plan documents.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

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.

Funding Policy. Until 2009, the City of Natchitoches recognized the cost of providing post-employment medical benefits (the City of Natchitoches' portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2013 and 2012, the City's portion of health care funding cost for retired employees totaled \$195,437 and \$180,960, respectively.

Effective June 1, 2009, the City of Natchitoches implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution. The City of Natchitoches' Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2013</u>	<u>2012</u>
Normal Cost	\$157,390	\$151,337
30-year UAL amortization amount	<u>191,110</u>	<u>183,759</u>
Annual required contribution (ARC)	<u>\$348,500</u>	<u>\$335,096</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Natchitoches' Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending May 31, 2013:

	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 348,500	\$ 335,096
Interest on Net OPEB Obligation	22,417	16,547
ARC Adjustment	<u>(32,409)</u>	<u>(23,922)</u>
OPEB Cost	\$ 338,508	\$ 327,721
Contribution	0	0
Current year retiree premium	<u>(195,437)</u>	<u>(180,960)</u>
Change in Net OPEB Obligation	\$ 143,071	\$ 146,761
Beginning Net OPEB Obligation	<u>560,416</u>	<u>413,654</u>
Ending Net OPEB Obligation	<u>\$ 703,487</u>	<u>\$ 560,415</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

The following table shows the City of Natchitoches' annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability</u>
May 31, 2013	\$338,508	57.73%	\$703,487
May 31, 2012	\$327,721	55.22%	\$560,415

Funded Status and Funding Progress. In 2013 and 2012, the City of Natchitoches made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the June 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year May 31, 2013 was \$3,304,678, which is defined as that portion, as determined by a particular actuarial cost method (the City of Natchitoches uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2013</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$3,304,678	\$3,177,575
Actuarial Value of Plan Assets (AVP)	<u>0</u>	<u>0</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$3,304,678</u>	<u>\$3,177,575</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$9,989,018	\$10,157,237
UAAL as a percentage of covered payroll	33.08%	31.28%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Natchitoches and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Natchitoches and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Natchitoches and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. 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. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45.

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 11%.

Post employment Benefit Plan Eligibility Requirements. Based on past experience and retirement patterns, it has been assumed that entitlement to employer-paid retiree medical benefits will commence three years after D.R.O.P. entry based on the earliest eligibility. Medical benefits are provided 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. There is the additional requirement for retiree medical benefits that the retiree have at least twenty years of service with the City of Natchitoches.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

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 medical rates provided are “blended” rates for active and retired before Medicare eligibility, so we have estimated the “unblended” rates for retirees before Medicare as 130% of the blended rate, as required by GASB 45 for valuation purposes. The employer pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. Coverage ceases upon Medicare eligibility at age 65.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<u>OPEB Costs and Contributions</u>		
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
OPEB Cost	\$ 363,711	\$ 327,721	\$ 338,508
Contribution	0	0	0
Retiree premium	<u>(151,609)</u>	<u>(180,960)</u>	<u>(195,437)</u>
Total contribution and premium	<u>\$(151,609)</u>	<u>\$(180,960)</u>	<u>\$(195,437)</u>
Change in net OPEB obligation	<u>\$ 212,102</u>	<u>\$ 146,761</u>	<u>\$ 143,071</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	41.68%	55.22%	57.73%

17. Taxable Revenue Bonds

The City, for the year ended May 31, 2006, authorized the issuance of revenue bonds, not to exceed \$25,000,000, to provide financial assistance to Pilgrim’s Pride, a private sector entity for the acquisition of land and construction of a feed mill. The bonds are secured by the property financed and commercial facilities built and are payable solely by the entity, Pilgrim’s Pride Corporation. Upon repayment of the bonds, ownership of the property and facilities transfer to the private-sector

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At May 31, 2008, the taxable revenue bonds, not to exceed \$25,000,000 had been issued and bear an interest rate of 4%. The full amount of the principal (\$25,000,000) is due December 15, 2021. Therefore, the outstanding principal balance at May 31, 2013, is \$25,000,000.

18. On-Behalf Payments

Certain City employees of the City Police Department, City Fire Department and the City Marshal's Office receive supplemental pay from the State. In accordance with GASB Statement No. 24, the City has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$546,824 and the related expenditures are as follows:

City Marshal's Office	\$ 18,000
City Police Department	276,104
City Fire Department	<u>263,433</u>
Total	<u>\$557,537</u>

19. Subsequent Events

Management has evaluated events through October 24, 2013, the date which the financial statements were available for issue. We noted the following items to be reported as subsequent events:

- 1) Ordinance #1 of 2013, the City executed a 1st Amended Cooperative Endeavor agreement with the State of Louisiana for the South Natchitoches Drainage Project. Approved funding from the Office of Facility Planning and Control for the project is \$1,050,000 and the City's portion is twenty-five percent (25%) or \$350,000.
- 2) Resolution #17 2013, the City entered into an agreement with the State of Louisiana Department of Transportation and Development for a project to widen Louisiana Highway 1 South-Business and add sidewalks and turn lanes. The maximum federal funds approved for this project are \$100,000 and the City's portion is twenty percent (20%) or \$20,000.
- 3) Ordinance #27 of 2013, the City awarded the bid for Grand Ecore Road elevated tank repainting. The project was awarded to the lowest and only bidder, Diamond Enterprises, Inc. in the amount of \$226,500.
- 4) Resolution #46 of 2013, the City entered into an agreement with the Louisiana Office of Community Development for the FY 2013 Street Improvements and to adopt the plans, policies, appointments and authorization of individuals for compliance with the Louisiana Community Development Block Grant regulations. The maximum funds available are \$599,999 and the City's portion is \$113,500.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2013

- 5) Ordinance #30 of 2013, provided for the issuance of \$1,245,000 of Utilities Revenue Refunding Bonds, Series 2013, for the purpose of refunding \$620,000 of outstanding Utilities Revenue Bonds, Series 1999 and \$921,000 of outstanding Utilities Revenue Bonds, Series 2009A.
- 6) Resolution #56 of 2013, called for redemption on September 19, 2013 all of outstanding maturities of the Sales Tax Bonds, Series 2002 (\$2,085,000) and Sales Tax Revenue Refunding Bonds, Series 2003 (\$270,000) of the City.
- 7) Resolution #59 of 2013, the City accepted funds from the Federal Aviation Administration (FAA) and Louisiana Department of Transportation (LA DOTD) for an Airport Improvement Project to rehabilitate terminal area apron. The total cost of the project is expected to be \$1,217,137 of which the FAA is expected to pay \$984,128 and the LA DOTD is expected to pay \$233,009. Ordinance #37 of 2013 awarded the project to the lowest bidder, Regional Construction, LLC, in the amount of \$1,117,087.

20. Restatement of Net Position:

During fiscal year 2013, an accounting adjustment was made that required the restatement of net position. The restatement is presented below:

	<u>General Fund</u>
Net Position June 1, 2012	\$54,198,175
Restatement	<u>(1,267,104)</u>
Net Position June 1, 2012 as restated	<u>\$52,931,071</u>

The restatement of \$1,276,104 in the governmental activities is to correct prior year capital asset balance. Infrastructure additions were miscalculated in the prior year.

21. Deferred Inflows/Outflows:

For business-type activities, the unrestricted net position amount of \$12,299,401 includes the effect of deferring the recognition of revenue from the prepayment of energy credits. The \$559,016 balance of the deferred inflow of resources at June 30, 2013, will be recognized as revenue and increase unrestricted net position next year.

REQUIRED SUPPLEMENTAL INFORMATION

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 4,997,745	\$ 4,997,745	\$ 4,914,105	\$ (83,640)
Licenses & Permits	779,690	779,690	827,894	48,204
Intergovernmental	695,586	1,245,586	1,261,967	16,381
Charges for Services	56,500	56,500	78,431	21,931
Fines & Forfeits	191,000	191,000	163,410	(27,590)
Miscellaneous	<u>227,000</u>	<u>227,000</u>	<u>286,385</u>	<u>59,385</u>
Total Revenues	<u>\$ 6,947,521</u>	<u>\$ 7,497,521</u>	<u>\$ 7,532,192</u>	<u>\$ 34,671</u>
EXPENDITURES:				
Current-				
General Government	\$ 3,453,874	\$ 3,433,824	\$ 2,936,009	\$ 497,815
Public Safety	6,921,773	7,484,323	7,909,412	(425,089)
Streets & Sanitation	1,384,011	1,384,011	1,427,850	(43,839)
Economic Development	305,950	305,950	278,767	27,183
Health & Welfare	221,001	228,501	234,288	(5,787)
Recreation & Culture	870,369	870,369	853,171	17,198
Debt Service	<u>50,000</u>	<u>50,000</u>	<u>82,708</u>	<u>(32,708)</u>
Total Expenditures	<u>\$13,206,978</u>	<u>\$13,756,978</u>	<u>\$13,722,205</u>	<u>\$ 34,773</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (6,259,457)</u>	<u>\$ (6,259,457)</u>	<u>\$ (6,190,013)</u>	<u>\$ 69,444</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 6,980,907	\$ 6,980,907	\$ 7,076,502	\$ 95,595
Operating Transfers Out	(729,450)	(729,450)	(1,190,897)	(461,447)
Sale of Capital Assets	<u>8,000</u>	<u>8,000</u>	<u>423,827</u>	<u>415,827</u>
Total Other Financing	<u>\$ 7,718,357</u>	<u>\$ 6,259,457</u>	<u>\$ 6,309,432</u>	<u>\$ 49,975</u>
Excess (Deficiency) of Revenues and Other Sources over Expen- ditures and Other Uses	\$ 1,458,900	\$ 0	\$ 119,419	\$ 119,419
Fund Balance-Beginning of Year	<u>1,894,240</u>	<u>1,894,240</u>	<u>1,894,240</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 3,353,140</u>	<u>\$ 1,894,240</u>	<u>\$ 2,013,659</u>	<u>\$ 119,419</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Revenues-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes-				
Cable TV Franchise	\$ 225,000	\$ 225,000	\$ 235,430	\$ 10,430
Atmos Franchise	155,000	155,000	125,760	(29,240)
Sales & Use Tax	3,850,000	3,850,000	3,725,095	(124,905)
Ad Valorem Taxes	<u>767,745</u>	<u>767,745</u>	<u>827,820</u>	<u>60,075</u>
Total Taxes	<u>\$4,997,745</u>	<u>\$4,997,745</u>	<u>\$4,914,105</u>	<u>\$ (83,640)</u>
Licenses & Permits-				
Insurance Licenses	\$ 230,000	\$ 230,000	\$ 260,180	\$ 30,180
Liquor Licenses	17,790	17,790	20,253	2,463
Occupational Licenses	451,500	451,500	462,776	11,276
Building Permits	80,000	80,000	84,510	4,510
Mobile Home Permits	200	200	50	(150)
Street Breaking Permits	<u>200</u>	<u>200</u>	<u>125</u>	<u>(75)</u>
Total Licenses & Permits	<u>\$ 779,690</u>	<u>\$ 779,690</u>	<u>\$ 827,894</u>	<u>\$ 48,204</u>
Intergovernmental-				
Beer Taxes	\$ 32,000	\$ 32,000	\$ 27,982	\$ (4,018)
Payments in Lieu of Taxes	85,000	85,000	98,417	13,417
Main Street Program-DOTD	29,280	29,280	29,280	0
Fire Insurance Tax	61,000	61,000	60,370	(630)
School Board-Crossing Guards	65,000	65,000	73,264	8,264
NHDDC	47,000	47,000	47,000	0
Police Jury	3,131	3,131	3,131	0
Wage Reimbursement	242,975	242,975	265,749	22,774
City Court	6,000	6,000	12,230	6,230
Local Grant-Miscellaneous	0	0	4,399	4,399
State Supplemental Pay	0	550,000	535,240	(14,760)
Christmas Festival Reimbursement	<u>124,200</u>	<u>124,200</u>	<u>104,905</u>	<u>(19,295)</u>
Total Intergovernmental	<u>\$ 695,586</u>	<u>\$1,245,586</u>	<u>\$1,261,976</u>	<u>\$ 16,381</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Revenues-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services-				
Animal Shelter	\$ 5,000	\$ 5,000	\$ 6,887	\$ 1,887
Recreation Department	32,000	32,000	36,024	4,024
Police Fees	10,500	10,500	25,937	15,437
Demolition/Grass Cutting	7,000	7,000	8,533	1,533
Rezoning	<u>2,000</u>	<u>2,000</u>	<u>1,050</u>	<u>(950)</u>
Total Charges for Services	<u>\$ 56,500</u>	<u>\$ 56,500</u>	<u>\$ 78,431</u>	<u>\$ 21,931</u>
Fines & Forfeits-				
Warrant Bond Fee	\$ 46,000	\$ 46,000	\$ 43,877	\$ (2,123)
Court Costs	11,000	11,000	9,140	(1,860)
Court Fines	100,000	100,000	82,259	(17,741)
Marshal's Office	<u>34,000</u>	<u>34,000</u>	<u>28,134</u>	<u>(5,866)</u>
Total Fines & Forfeits	<u>\$ 191,000</u>	<u>\$ 191,000</u>	<u>\$ 163,410</u>	<u>\$ (27,590)</u>
Miscellaneous-				
Insurance Recovery	\$ 1,000	\$ 1,000	\$ 1,956	\$ 956
Workman's Comp. Recovery	5,000	5,000	13,225	8,225
Interest Income	200,000	200,000	228,829	28,829
Rent Income	11,000	11,000	9,217	(1,783)
Gain on Investments	0	0	8,173	8,173
Other	<u>10,000</u>	<u>10,000</u>	<u>24,985</u>	<u>14,985</u>
Total Miscellaneous	<u>\$ 227,000</u>	<u>\$ 227,000</u>	<u>\$ 286,385</u>	<u>\$ 59,385</u>
TOTAL REVENUES	<u>\$6,947,521</u>	<u>\$7,497,521</u>	<u>\$7,532,192</u>	<u>\$ 34,671</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT:				
City Hall-				
Personnel Cost	\$ 449,974	\$ 449,974	\$ 415,624	\$ 34,350
Supplies & Postage	32,100	37,500	25,755	11,745
Maintenance	11,250	11,250	5,843	5,407
Mayor's Expense	8,000	8,000	9,629	(1,629)
Fuel, Travel & Auto	12,500	11,000	8,823	2,177
Utilities	8,342	5,342	3,510	1,832
Miscellaneous	<u>15,930</u>	<u>15,030</u>	<u>13,449</u>	<u>1,581</u>
Total	<u>\$ 538,096</u>	<u>\$ 538,096</u>	<u>\$ 482,633</u>	<u>\$ 55,463</u>
Purchasing Department-				
Personnel Cost	\$ 264,551	\$ 264,551	\$ 231,979	\$ 32,572
Supplies & Postage	14,500	14,500	18,745	(4,245)
Maintenance	14,500	14,500	5,454	9,046
Fuel, Travel & Auto	7,700	7,700	7,599	101
Utilities	16,750	16,750	13,501	3,249
Miscellaneous	<u>15,250</u>	<u>15,250</u>	<u>15,803</u>	<u>(553)</u>
Total	<u>\$ 333,251</u>	<u>\$ 333,251</u>	<u>\$ 293,081</u>	<u>\$ 40,170</u>
City Garage-				
Personnel Cost	\$ 198,752	\$ 198,752	\$ 211,426	\$ (12,674)
Supplies & Postage	13,180	16,980	33,497	(16,517)
Repairs & Miscellaneous	6,125	6,125	2,317	3,808
Utilities	7,750	7,750	7,477	273
Capital Expenditures	<u>5,000</u>	<u>1,200</u>	<u>0</u>	<u>1,200</u>
Total	<u>\$ 230,807</u>	<u>\$ 230,807</u>	<u>\$ 254,717</u>	<u>\$ (23,910)</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
City Court-				
Personnel Cost	\$ 160,380	\$ 160,380	\$ 159,037	\$ 1,343
Office & Supplies	1,500	1,500	1,522	(22)
Total	<u>\$ 161,880</u>	<u>\$ 161,880</u>	<u>\$ 160,559</u>	<u>\$ 1,321</u>
Community Affairs-				
Personnel Cost	\$ 307,465	\$ 305,465	\$ 305,575	\$ (110)
Fuel & Travel	10,450	10,725	12,111	(1,386)
Repairs & Miscellaneous	25,650	12,820	14,136	(1,316)
Supplies & Postage	15,500	38,400	42,537	(4,137)
Utilities	13,800	9,400	8,083	1,317
Capital Expenditures	5,000	0	0	0
Total	<u>\$ 377,865</u>	<u>\$ 376,810</u>	<u>\$ 382,442</u>	<u>\$ (5,632)</u>
Planning & Zoning-				
Personnel Cost	\$ 185,442	\$ 185,442	\$ 182,076	\$ 3,366
Supplies & Postage	6,050	11,103	10,663	440
Repairs & Miscellaneous	43,167	37,773	24,755	13,018
Fuel & Travel	6,500	6,841	6,649	192
Utilities	3,000	3,000	2,366	634
Total	<u>\$ 244,159</u>	<u>\$ 244,159</u>	<u>\$ 226,509</u>	<u>\$ 17,650</u>
Beautification-				
Personnel Cost	\$ 126,130	\$ 111,030	\$ 108,525	\$ 2,505
Supplies	37,550	45,900	38,968	6,932
Utilities	1,800	1,800	1,012	788
Fuel & Travel	5,400	5,350	4,409	941
Repairs & Miscellaneous	2,900	1,100	364	736
Total	<u>\$ 173,780</u>	<u>\$ 165,180</u>	<u>\$ 153,278</u>	<u>\$ 11,902</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Municipal Buildings-				
Utilities	\$ 27,500	\$ 18,975	\$ 18,567	\$ 408
Supplies	34,700	42,023	39,564	2,459
Repairs & Maintenance	58,265	76,125	76,994	(869)
Other	<u>19,100</u>	<u>28,097</u>	<u>25,280</u>	<u>2,817</u>
Total	<u>\$ 139,565</u>	<u>\$ 165,220</u>	<u>\$ 160,405</u>	<u>\$ 4,815</u>
General Accounts-				
Personnel Costs	\$ 606,061	\$ 588,061	\$ 461,943	\$ 126,118
Legal & Audit	75,000	64,900	43,792	21,108
Supplies	19,200	24,675	15,404	9,271
Municipal Utilities	114,700	80,600	7,570	73,030
Employee Benefits	146,707	141,722	110,842	30,880
Miscellaneous	<u>292,803</u>	<u>318,463</u>	<u>182,834</u>	<u>135,629</u>
Total	<u>\$ 1,254,471</u>	<u>\$ 1,218,421</u>	<u>\$ 822,385</u>	<u>\$ 396,036</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 3,453,874</u>	<u>\$ 3,433,824</u>	<u>\$ 2,936,009</u>	<u>\$ 497,815</u>
PUBLIC SAFETY:				
Fire Department-				
Personnel Cost	\$ 2,551,077	\$ 2,764,065	\$ 2,982,961	\$(218,896)
Fuel & Oil	35,000	33,900	41,204	(7,304)
Maintenance	31,540	51,466	46,234	5,232
Supplies & Miscellaneous	47,028	87,314	78,175	9,139
Training & Travel	6,965	10,765	11,104	(339)
Uniforms	10,000	10,500	12,489	(1,989)
Utilities	<u>26,000</u>	<u>24,600</u>	<u>35,935</u>	<u>(11,335)</u>
Total	<u>\$ 2,707,610</u>	<u>\$ 2,982,610</u>	<u>\$ 3,208,102</u>	<u>\$(225,492)</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Police Department-				
Personnel Cost	\$ 3,566,579	\$ 3,825,979	\$ 4,040,952	\$(214,973)
Fuel	183,000	183,000	209,201	(26,201)
Maintenance	91,200	40,991	36,789	4,202
Prisoner Maintenance	42,500	25,200	25,891	(691)
Utilities	68,400	79,400	79,303	97
Miscellaneous	53,250	56,859	44,680	12,179
Supplies & Uniforms	58,150	122,200	121,343	857
Office Expense	13,000	10,000	10,001	(1)
Marshal's Expense	138,084	158,084	132,861	25,223
Travel & Training	<u>0</u>	<u>0</u>	<u>289</u>	<u>(289)</u>
Total	\$ <u>4,214,163</u>	\$ <u>4,501,713</u>	\$ <u>4,701,310</u>	\$ <u>(199,597)</u>
TOTAL PUBLIC SAFETY	\$ <u>6,921,773</u>	\$ <u>7,484,323</u>	\$ <u>7,909,412</u>	\$ <u>(425,089)</u>
STREETS & SANITATION:				
Personnel Cost	\$ 1,081,211	\$ 985,511	\$ 970,608	\$ 14,903
Street Materials	55,000	52,146	64,155	(12,009)
Maintenance	79,000	88,544	83,617	4,927
Fuel & Oil	85,000	99,500	106,067	(6,567)
Supplies & Miscellaneous	85,300	105,810	114,214	(8,404)
Garbage Disposal	43,000	34,000	37,637	(3,637)
Utilities	13,500	13,500	12,511	989
Uniforms	5,000	5,000	2,523	2,477
Capital Expenditures	<u>0</u>	<u>0</u>	<u>36,518</u>	<u>(36,518)</u>
TOTAL STREETS & SANITATION	\$ <u>1,384,011</u>	\$ <u>1,384,011</u>	\$ <u>1,427,850</u>	\$ <u>(43,839)</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		2013	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
HEALTH & WELFARE:				
Animal Shelter-				
Personnel Cost	\$ 101,401	\$ 100,401	\$ 111,315	\$ (10,914)
Fuel & Maintenance	11,825	8,305	7,136	1,169
Supplies & Miscellaneous	20,775	27,795	25,970	1,825
Utilities	<u>18,000</u>	<u>15,500</u>	<u>11,703</u>	<u>3,797</u>
Total	\$ 152,001	\$ 152,001	\$ 156,124	\$ (4,123)
Other Health & Welfare-				
Coroner's Expense	<u>69,000</u>	<u>76,500</u>	<u>78,164</u>	<u>(1,664)</u>
TOTAL HEALTH & WELFARE	\$ 221,001	\$ 228,501	\$ 234,288	\$ (5,787)
RECREATION & CULTURE:				
MLK Recreation Center-				
Personnel Cost	\$ 36,493	\$ 36,493	\$ 35,206	\$ 1,287
Telephone & Utilities	43,300	27,311	26,032	1,279
Supplies & Miscellaneous	13,125	22,942	28,759	(5,817)
Facility Maintenance	<u>8,900</u>	<u>13,683</u>	<u>14,637</u>	<u>(954)</u>
Total	\$ 101,818	\$ 100,429	\$ 104,634	\$ (4,205)
Recreation Department:				
Personnel Cost	\$ 536,761	\$ 481,888	\$ 462,599	\$ 19,289
Repairs & Maintenance	31,550	107,406	92,958	14,448
Materials & Supplies	67,566	58,512	61,457	(2,945)
Services & Miscellaneous	28,000	48,382	39,562	8,820
Programs	56,474	56,047	50,021	6,026
Utilities	31,500	17,705	16,438	1,267
Capital Expenditures	<u>16,700</u>	<u>0</u>	<u>25,502</u>	<u>(25,502)</u>
Total	\$ 768,551	\$ 769,940	\$ 748,537	\$ 21,403
TOTAL RECREATION & CULTURE	\$ 870,369	\$ 870,369	\$ 853,171	\$ 17,198

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013</u>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
DEBT SERVICE:				
Principal	\$ <u>50,000</u>	\$ <u>50,000</u>	\$ <u>82,708</u>	\$ <u>(32,708)</u>
ECONOMIC DEVELOPMENT:				
Outside Appropriations	\$ <u>220,950</u>	\$ <u>220,950</u>	\$ <u>211,196</u>	\$ <u>9,754</u>
Promotional Expenditures	<u>85,000</u>	<u>85,000</u>	<u>67,571</u>	<u>17,429</u>
TOTAL ECONOMIC DEVELOPMENT	\$ <u>305,950</u>	\$ <u>305,950</u>	\$ <u>278,767</u>	\$ <u>27,183</u>
TOTAL EXPENDITURES	\$ <u>13,206,978</u>	\$ <u>13,756,978</u>	\$ <u>13,722,205</u>	\$ <u>34,773</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Other Financing Sources (Uses)-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING				
SOURCES (USES):				
Transfers from Other Funds-				
Enterprise (Utility) Fund	\$4,044,810	\$4,044,810	\$ 4,039,310	\$ (5,500)
Hazard Tax Fund	928,920	928,920	928,920	0
Sales Tax Police Fund	2,007,177	2,007,177	2,012,582	5,405
Miscellaneous Funds	<u>0</u>	<u>0</u>	<u>95,690</u>	<u>95,690</u>
Total Transfers In	<u>\$6,980,907</u>	<u>\$6,980,907</u>	<u>\$ 7,076,502</u>	<u>\$ 95,595</u>
Transfers to Other Funds-				
Airport Grant Fund	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Miss Merry Christmas	(4,450)	(4,450)	(4,450)	0
Liability Insurance Fund	(400,000)	(400,000)	(400,000)	0
Event Center Operations	(275,000)	(275,000)	(275,000)	0
Employee Health Insurance	0	0	(16,750)	(16,750)
Capital Improvements Special	0	0	(420,000)	(420,000)
Miscellaneous Funds	<u>0</u>	<u>0</u>	<u>(24,697)</u>	<u>(24,697)</u>
Total Transfers Out	<u>\$(729,450)</u>	<u>\$(729,450)</u>	<u>\$(1,190,897)</u>	<u>\$(461,447)</u>
Sale of City Property	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 423,827</u>	<u>\$ 415,827</u>
TOTAL OTHER FINANCING	<u>\$7,718,357</u>	<u>\$6,259,457</u>	<u>\$ 6,309,432</u>	<u>\$ 49,975</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Major Funds

Capital Projects Funds
Sales Tax Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes-				
Sales & Use Tax	\$ 3,752,500	\$ 3,639,925	\$ 3,725,095	\$ 85,170
Miscellaneous-				
Interest	150,000	150,000	159,172	9,172
Gain (Loss) on Investments	30,000	30,000	(95,178)	(125,178)
Miscellaneous	<u>0</u>	<u>0</u>	<u>7,900</u>	<u>7,900</u>
Total Revenues	\$ <u>3,932,500</u>	\$ <u>3,819,925</u>	\$ <u>3,796,989</u>	\$ <u>(22,936)</u>
EXPENDITURES:				
Current-				
General Government	\$ 223,000	\$ 223,000	\$ 158,160	\$ 64,840
Water & Sewer-				
Office & Supplies	0	0	1,152	(1,152)
Maintenance	270,000	270,000	32,427	237,573
Capital Expenditures	655,000	655,000	807,877	(152,877)
Debt Service-				
Principal	1,200,000	1,200,000	633,000	567,000
Interest	<u>283,000</u>	<u>283,000</u>	<u>120,732</u>	<u>162,268</u>
Total Expenditures	\$ <u>2,631,000</u>	\$ <u>2,631,000</u>	\$ <u>1,753,348</u>	\$ <u>877,652</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>1,301,500</u>	\$ <u>1,188,925</u>	\$ <u>2,043,641</u>	\$ <u>854,716</u>
Transfer to-				
Community Water Enrichment	\$ 0	\$ 0	\$ (7,300)	\$ (7,300)
Utility Fund	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>0</u>
Total Transfers Out	\$ <u>(850,000)</u>	\$ <u>(850,000)</u>	\$ <u>(857,300)</u>	\$ <u>(7,300)</u>
Excess (Deficiency) of Revenues and Other Sources over Expen- ditures and Other Uses	\$ 451,500	\$ 338,925	\$ 1,186,341	\$ 847,416
Fund Balance-Beginning of Year	<u>15,745,161</u>	<u>15,745,161</u>	<u>15,745,161</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>16,196,661</u>	\$ <u>16,084,086</u>	\$ <u>16,931,502</u>	\$ <u>847,416</u>

See notes to financial statements.

OTHER SUPPLEMENTAL SCHEDULES

City of Natchitoches, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 May 31, 2013

	<u>Special Revenue Funds</u>			
	Event Center Operations <u>Fund</u>	Airport <u>Fund</u>	Hazard Tax <u>Fund</u>	Employee Benefits <u>Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$93,520	\$ 100	\$343,914	\$ 89,221
Revenue Receivables	0	1,608	0	1,722
Due from Other Funds	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>23,869</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$93,520</u>	<u>\$ 25,577</u>	<u>\$343,914</u>	<u>\$ 90,943</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 128,008	\$ 0	\$180,537
Accounts Payable	2,509	3,230	0	0
Accrued Expenses	0	452	0	0
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>4,103</u>	<u>1,833</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 6,612</u>	<u>\$ 133,523</u>	<u>\$ 0</u>	<u>\$180,537</u>
Fund Balances-				
Restricted	\$ 0	\$ 0	\$343,914	\$ 0
Committed	86,908	0	0	0
Unassigned	<u>0</u>	<u>(107,946)</u>	<u>0</u>	<u>(89,594)</u>
Total Fund Balances	<u>\$86,908</u>	<u>\$(107,946)</u>	<u>\$343,914</u>	<u>\$(89,594)</u>
Total Liabilities & Fund Balances	<u>\$93,520</u>	<u>\$ 25,577</u>	<u>\$343,914</u>	<u>\$ 90,943</u>

See notes to financial statements.

<u>Special Revenue Funds</u>						
<u>Workman's Compensation Fund</u>	<u>Drug Recovery Fund</u>	<u>Multi-Drug Task Force Fund</u>	<u>STOP Grant Fund</u>	<u>Prisoner Bond Fund</u>	<u>911 Grant Fire Fund</u>	<u>Animal Shelter Fund</u>
\$402,069	\$20,242	\$5,734	\$3,214	\$32,337	\$75,776	\$22,274
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$402,069</u>	<u>\$20,242</u>	<u>\$5,734</u>	<u>\$3,214</u>	<u>\$32,337</u>	<u>\$75,776</u>	<u>\$22,274</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
5,300	101	0	0	4,087	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,407</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 5,300</u>	<u>\$ 101</u>	<u>\$ 0</u>	<u>\$2,407</u>	<u>\$ 4,087</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$5,734	\$ 807	\$28,250	\$ 0	\$ 0
396,769	20,141	0	0	0	75,776	22,274
0	0	0	0	0	0	0
<u>\$396,769</u>	<u>\$20,141</u>	<u>\$5,734</u>	<u>\$ 807</u>	<u>\$28,250</u>	<u>\$75,776</u>	<u>\$22,274</u>
<u>\$402,069</u>	<u>\$20,242</u>	<u>\$5,734</u>	<u>\$3,214</u>	<u>\$32,337</u>	<u>\$75,776</u>	<u>\$22,274</u>

City of Natchitoches, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 May 31, 2013

	<u>Special Revenue Funds</u>			
	<u>Litter Abatement Fund</u>	<u>Liability Insurance Fund</u>	<u>Main Street Promotions Fund</u>	<u>Cane River Green Market Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$0	\$776,975	\$39,766	\$7,182
Revenue Receivables	0	0	0	0
Due from Other Funds	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$0</u>	<u>\$776,975</u>	<u>\$39,766</u>	<u>\$7,182</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0	554
Accrued Expenses	0	0	0	0
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 554</u>
Fund Balances-				
Restricted	\$0	\$ 0	\$ 0	\$ 0
Committed	0	776,975	39,766	6,628
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$0</u>	<u>\$776,975</u>	<u>\$39,766</u>	<u>\$6,628</u>
Total Liabilities & Fund Balances	<u>\$0</u>	<u>\$776,975</u>	<u>\$39,766</u>	<u>\$7,182</u>

See notes to financial statements.

Special Revenue Funds						
LLEBG Grant Fund	911-Police Grant Fund	NW Law Enforcement Fund	Assistance to Firefighters FY '03 Fund	Knock-Knock Grant Fund	NHDDC Projects Fund	Economic Development Districts
\$5,890	\$48,880	\$1,130	\$13,309	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	13,598
0	0	0	0	0	0	2,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$5,890</u>	<u>\$48,880</u>	<u>\$1,130</u>	<u>\$13,309</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,598</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,832	\$ 177,206
0	0	0	0	0	0	16,951
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>212</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212</u>	<u>\$ 9,832</u>	<u>\$ 194,157</u>
\$5,890	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	48,880	1,130	13,309	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(212)</u>	<u>(9,832)</u>	<u>(178,559)</u>
<u>\$5,890</u>	<u>\$48,880</u>	<u>\$1,130</u>	<u>\$13,309</u>	<u>\$(212)</u>	<u>\$(9,832)</u>	<u>\$(178,559)</u>
<u>\$5,890</u>	<u>\$48,880</u>	<u>\$1,130</u>	<u>\$13,309</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,598</u>

City of Natchitoches, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 May 31, 2013

	<u>Special Revenue Funds</u>			
	<u>State Office of Culture Development</u>	<u>Garbage Service Fund</u>	<u>Sales Tax Police Fund</u>	<u>Miss Merry Christmas Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$10,833	\$ 0	\$608,287	\$993
Revenue Receivables	0	327,114	155,134	0
Due from Other Funds	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$10,833</u>	<u>\$ 327,114</u>	<u>\$763,421</u>	<u>\$993</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 610,966	\$ 0	\$ 0
Accounts Payable	0	185,998	0	0
Accrued Expenses	0	0	66,788	0
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 796,964</u>	<u>\$ 66,788</u>	<u>\$ 0</u>
Fund Balances-				
Restricted	\$ 0	\$ 0	\$696,633	\$ 0
Committed	10,833	0	0	993
Unassigned	<u>0</u>	<u>(469,850)</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$10,833</u>	<u>\$(469,850)</u>	<u>\$696,633</u>	<u>\$993</u>
Total Liabilities & Fund Balances	<u>\$10,833</u>	<u>\$ 327,114</u>	<u>\$763,421</u>	<u>\$993</u>

See notes to financial statements.

Special Revenue Funds						
Keep Louisiana Beautiful	The Rapides Foundation	Local Gov't Assistance Program	Byrne JAG- Police & NPSO Fund	LAC/Traffic Enforcement Fund	Natchitoches Tri-Centennial Fund	Asst. FF Grant/Vehicle Fund
\$3,086	\$0	\$ 0	\$0	\$15,130	\$550	\$0
0	0	20,007	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$3,086</u>	<u>\$0</u>	<u>\$20,007</u>	<u>\$0</u>	<u>\$15,130</u>	<u>\$550</u>	<u>\$0</u>
\$ 0	\$0	\$24,373	\$0	\$ 0	\$ 0	\$0
0	0	0	0	4,293	0	0
0	0	0	0	216	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$0</u>	<u>\$24,373</u>	<u>\$0</u>	<u>\$ 4,509</u>	<u>\$ 0</u>	<u>\$0</u>
\$ 0	\$0	\$ 0	\$0	\$ 0	\$ 0	\$0
3,086	0	0	0	10,621	550	0
<u>0</u>	<u>0</u>	<u>(4,366)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$3,086</u>	<u>\$0</u>	<u>\$(4,366)</u>	<u>\$0</u>	<u>\$10,621</u>	<u>\$550</u>	<u>\$0</u>
<u>\$3,086</u>	<u>\$0</u>	<u>\$20,007</u>	<u>\$0</u>	<u>\$15,130</u>	<u>\$550</u>	<u>\$0</u>

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
May 31, 2013

	<u>Capital Projects Funds</u>			
	Street Improvements <u>Fund</u>	Capital Improvements <u>Fund</u>	Utility Improvements <u>Fund</u>	DOTD Phase II <u>Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$509,137	\$1,755,871	\$2,088,110	\$39,427
Revenue Receivables	0	81,298	0	0
Due from Other Funds	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$509,137</u>	<u>\$1,837,169</u>	<u>\$2,088,110</u>	<u>\$39,427</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	9,443	930
Accrued Expenses	0	0	0	0
Due to Other Funds	0	0	0	2,000
Accrued Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,443</u>	<u>\$ 2,930</u>
Fund Balances-				
Restricted	\$ 0	\$ 0	\$ 0	\$36,497
Committed	509,137	1,837,169	2,078,667	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$509,137</u>	<u>\$1,837,169</u>	<u>\$2,078,667</u>	<u>\$36,497</u>
 Total Liabilities & Fund Balances	 <u>\$509,137</u>	 <u>\$1,837,169</u>	 <u>\$2,088,110</u>	 <u>\$39,427</u>

See notes to financial statements.

Capital Projects Funds						
<u>Water Treatment Plant Fund</u>	<u>Pilgrim's Industrial Park Fund</u>	<u>DOTD/LA 478 UT Relocation Fund</u>	<u>Riverbank Wall Fund</u>	<u>Virginia Baker Park Fund</u>	<u>Airport Hangar Fund</u>	<u>Airport Maintenance Projects Fund</u>
\$1,530,582	\$ 0	\$ 0	\$0	\$0	\$ 0	\$ 0
0	0	581,610	0	0	649	7,008
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,530,582</u>	<u>\$ 0</u>	<u>\$581,610</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 649</u>	<u>\$ 7,008</u>
\$ 0	\$ 29,034	\$581,744	\$0	\$0	\$ 151,164	\$ 19,623
45,821	0	0	0	0	0	0
0	425,414	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 45,821</u>	<u>\$ 454,448</u>	<u>\$581,744</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 151,164</u>	<u>\$ 19,623</u>
\$1,484,761	\$ 0	\$ 0	\$0	\$0	\$ 0	\$ 0
0	0	0	0	0	0	0
<u>0</u>	<u>(454,448)</u>	<u>(134)</u>	<u>0</u>	<u>0</u>	<u>(150,515)</u>	<u>(12,615)</u>
<u>\$1,484,761</u>	<u>\$(454,448)</u>	<u>\$(134)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(150,515)</u>	<u>\$(12,615)</u>
<u>\$1,530,582</u>	<u>\$ 0</u>	<u>\$581,610</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 649</u>	<u>\$ 7,008</u>

Continued on next page.

City of Natchitoches, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 May 31, 2013

	<u>Capital Projects Funds</u>			
	Parking Lot Construction <u>Fund</u>	LCDBG Housing <u>Fund</u>	EECBG <u>Fund</u>	Community Water <u>Enrichment</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$ 2,434	\$0	\$0	\$33,000
Revenue Receivables	23,969	0	0	0
Due from Other Funds	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$26,403</u>	<u>\$0</u>	<u>\$0</u>	<u>\$33,000</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$0	\$0	\$ 0
Accounts Payable	0	0	0	33,000
Accrued Expenses	0	0	0	0
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$33,000</u>
Fund Balances-				
Restricted	\$ 0	\$0	\$0	\$ 0
Committed	26,403	0	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$26,403</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 0</u>
Total Liabilities & Fund Balances	<u>\$26,403</u>	<u>\$0</u>	<u>\$0</u>	<u>\$33,000</u>

See notes to financial statements.

Debt Service Fund

General
Obligations
Fund

Total

\$0	\$ 8,578,973
0	1,213,717
0	2,000
<u>0</u>	<u>23,869</u>
<u>\$0</u>	<u>\$ 9,818,559</u>

\$0	\$ 1,912,486
0	312,218
0	492,870
0	2,000
<u>0</u>	<u>8,555</u>
<u>\$0</u>	<u>\$ 2,728,129</u>

\$0	\$ 2,602,486
0	5,966,015
<u>0</u>	<u>(1,478,071)</u>
<u>\$0</u>	<u>\$ 7,090,430</u>

<u>\$0</u>	<u>\$ 9,818,559</u>
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City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2013

	Special Revenue Funds			
	Event Center Operations Fund	Airport Fund	Hazard Tax Fund	Employee Benefits Fund
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 1,164,691	\$ 0
Intergovernmental	0	13,000	0	0
Charges for Services	229,997	435,479	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>71,198</u>	<u>0</u>	<u>2,757</u>
Total Revenues	<u>\$ 229,997</u>	<u>\$ 519,677</u>	<u>\$ 1,164,691</u>	<u>\$ 2,757</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 245,540
Public Safety	0	0	153,407	0
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	492,957	559,423	0	0
Recreation & Culture	0	0	0	0
Health & Welfare	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>87,211</u>	<u>0</u>
Total Expenditures	<u>\$ 492,957</u>	<u>\$ 559,423</u>	<u>\$ 240,618</u>	<u>\$ 245,540</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(262,960)</u>	<u>\$ (39,746)</u>	<u>\$ 924,073</u>	<u>\$(242,783)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 277,880	\$ 121,815	\$ 6,009	\$ 279,450
Operating Transfers Out	0	0	(1,013,448)	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 277,880</u>	<u>\$ 121,815</u>	<u>\$(1,007,439)</u>	<u>\$ 279,450</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 14,920	\$ 82,069	\$ (83,366)	\$ 36,667
Fund Balances-Beginning of Year	<u>71,987</u>	<u>(190,015)</u>	<u>427,280</u>	<u>(126,261)</u>
Fund Balances-End of Year	<u>\$ 86,907</u>	<u>\$(107,946)</u>	<u>\$ 343,914</u>	<u>\$ (89,594)</u>

See notes to financial statements.

Special Revenue Funds						
Workman's Compensation Fund	Drug Recovery Fund	Multi-Drug Task Force Fund	STOP Grant Fund	Prisoner Bond Fund	911 Grant Fire Fund	Animal Shelter Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	21,260	16,275	0	0	0
0	0	0	0	0	0	3,232
0	0	0	0	18,830	0	0
<u>19,270</u>	<u>14,864</u>	<u>0</u>	<u>0</u>	<u>875</u>	<u>2,774</u>	<u>0</u>
\$ <u>19,270</u>	\$ <u>14,864</u>	\$ <u>21,260</u>	\$ <u>16,275</u>	\$ <u>19,705</u>	\$ <u>2,774</u>	\$ <u>3,232</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	17,302	20,944	25,316	21,557	14,891	13,727
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>0</u>	\$ <u>17,302</u>	\$ <u>20,944</u>	\$ <u>25,316</u>	\$ <u>21,557</u>	\$ <u>14,891</u>	\$ <u>13,727</u>
\$ <u>19,270</u>	\$ <u>(2,438)</u>	\$ <u>316</u>	\$ <u>(9,041)</u>	\$ <u>(1,852)</u>	\$ <u>(12,117)</u>	\$ <u>(10,495)</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(128,955)	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>(128,955)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
\$ (109,685)	\$ (2,438)	\$ 316	\$ (9,041)	\$ (1,852)	\$ (12,117)	\$ (10,495)
<u>506,454</u>	<u>22,580</u>	<u>5,418</u>	<u>9,848</u>	<u>30,102</u>	<u>87,893</u>	<u>32,769</u>
\$ <u>396,769</u>	\$ <u>20,142</u>	\$ <u>5,734</u>	\$ <u>807</u>	\$ <u>28,250</u>	\$ <u>75,776</u>	\$ <u>22,274</u>

Continued on next page.

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2013

	<u>Special Revenue Funds</u>			
	<u>Litter Abatement Fund</u>	<u>Liability Insurance Fund</u>	<u>Main Street Promotions Fund</u>	<u>Cane River Green Market Fund</u>
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	4,859	5,000
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>15,473</u>	<u>28,469</u>	<u>14,275</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 15,473</u>	<u>\$33,328</u>	<u>\$19,275</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 820,090	\$ 0	\$ 0
Public Safety	0	0	0	0
Streets & Sanitation	150	0	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	0	0	0	15,489
Recreation & Culture	0	0	26,346	0
Health & Welfare	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 150</u>	<u>\$ 820,090</u>	<u>\$26,346</u>	<u>\$15,489</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (150)</u>	<u>\$(804,617)</u>	<u>\$ 6,982</u>	<u>\$ 3,786</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 0	\$ 832,000	\$ 1,000	\$ 0
Operating Transfers Out	(2,189)	(200,000)	0	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$(2,189)</u>	<u>\$ 632,000</u>	<u>\$ 1,000</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$(2,339)</u>	<u>\$(172,617)</u>	<u>\$ 7,982</u>	<u>\$ 3,786</u>
Fund Balances-Beginning of Year	<u>2,339</u>	<u>949,592</u>	<u>31,782</u>	<u>2,842</u>
Fund Balances-End of Year	<u>\$ 0</u>	<u>\$ 776,975</u>	<u>\$39,764</u>	<u>\$ 6,628</u>

See notes to financial statements.

Special Revenue Funds

LLEBG Grant Fund	911-Police Grant Fund	NW Law Enforcement Fund	Assistance to Firefighters FY '03 Fund	Knock-Knock Grant Fund	NHDDC Projects Fund	Economic Development Districts
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 166,797
5,890	22,000	0	766,743	9,968	14,719	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>1,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$5,890</u>	<u>\$ 22,000</u>	<u>\$ 1,750</u>	<u>\$766,743</u>	<u>\$ 9,968</u>	<u>\$14,719</u>	<u>\$ 166,797</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	48,372	6,208	837,006	12,448	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	24,700	180,863
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 48,372</u>	<u>\$ 6,208</u>	<u>\$837,006</u>	<u>\$12,448</u>	<u>\$24,700</u>	<u>\$ 180,863</u>
<u>\$5,890</u>	<u>\$(26,372)</u>	<u>\$(4,458)</u>	<u>\$(70,263)</u>	<u>\$(2,480)</u>	<u>\$(9,981)</u>	<u>\$(14,066)</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,260	\$ 0	\$ 0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,260</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$5,890	\$(26,372)	\$(4,458)	\$(70,263)	\$ 3,780	\$(9,981)	\$(14,066)
<u>0</u>	<u>75,252</u>	<u>5,588</u>	<u>83,572</u>	<u>(3,992)</u>	<u>149</u>	<u>(164,493)</u>
<u>\$5,890</u>	<u>\$ 48,880</u>	<u>\$ 1,130</u>	<u>\$ 13,309</u>	<u>\$(212)</u>	<u>\$(9,832)</u>	<u>\$(178,559)</u>

Continued on next page.

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2013

	Special Revenue Funds			
	State Office of Culture Development	Garbage Service Fund	Sales Tax Police Fund	Miss Merry Christmas Fund
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 1,862,548	\$ 0
Intergovernmental	19,525	0	467	0
Charges for Services	0	1,990,587	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>14,722</u>	<u>4,798</u>
Total Revenues	<u>\$19,525</u>	<u>\$1,990,587</u>	<u>\$ 1,877,737</u>	<u>\$ 4,798</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	250,416	0
Streets & Sanitation	0	2,261,451	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	11,385	0	0	0
Recreation & Culture	0	0	0	11,136
Health & Welfare	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$11,385</u>	<u>\$2,261,451</u>	<u>\$ 250,416</u>	<u>\$11,136</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 8,140</u>	<u>\$ (270,864)</u>	<u>\$ 1,627,321</u>	<u>\$ (6,338)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 0	\$ 100,000	\$ 0	\$ 4,450
Operating Transfers Out	0	0	(2,019,970)	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$(2,019,970)</u>	<u>\$ 4,450</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 8,140	\$ (170,864)	\$ (392,649)	\$ (1,888)
Fund Balances-Beginning of Year	<u>2,693</u>	<u>(298,986)</u>	<u>1,089,282</u>	<u>2,881</u>
Fund Balances-End of Year	<u>\$10,833</u>	<u>\$ (469,850)</u>	<u>\$ 696,633</u>	<u>\$ 993</u>

See notes to financial statements.

Special Revenue Funds						
Keep Louisiana Beautiful	The Rapides Foundation	Local Gov't Assistance Program	Byrne JAG- Police & NPSO Fund	LAC/Traffic Enforcement Fund	Natchitoches Tri-Centennial Fund	Asst. FF Grant/Vehicle Fund
\$ 0	\$ 0	\$ 0	\$0	\$ 0	\$ 0	\$ 0
10,279	5,000	51,607	0	0	550	870,772
0	0	0	0	0	0	0
0	0	0	0	44,671	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$10,279</u>	<u>\$5,000</u>	<u>\$51,607</u>	<u>\$0</u>	<u>\$44,671</u>	<u>\$550</u>	<u>\$870,772</u>
\$ 0	\$ 0	\$ 0	\$0	\$ 0	\$ 0	\$ 0
0	0	95,674	0	34,050	0	941,253
0	0	0	0	0	0	0
0	0	0	0	0	0	0
5,197	0	0	0	0	0	0
0	7,302	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 5,197</u>	<u>\$ 7,302</u>	<u>\$ 95,674</u>	<u>\$0</u>	<u>\$34,050</u>	<u>\$ 0</u>	<u>\$941,253</u>
<u>\$ 5,082</u>	<u>\$(2,302)</u>	<u>\$(44,067)</u>	<u>\$0</u>	<u>\$10,621</u>	<u>\$550</u>	<u>\$(70,481)</u>
\$ 2,189	\$ 346	\$ 14,047	\$0	\$ 0	\$ 0	\$ 70,481
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 2,189</u>	<u>\$ 346</u>	<u>\$ 14,047</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,481</u>
\$ 7,271	\$(1,956)	\$(30,020)	\$0	\$10,621	\$550	\$ 0
<u>(4,185)</u>	<u>1,956</u>	<u>25,654</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 3,086</u>	<u>\$ 0</u>	<u>\$(4,366)</u>	<u>\$0</u>	<u>\$10,621</u>	<u>\$550</u>	<u>\$ 0</u>

Continued on next page.

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2013

	Capital Projects Funds			
	Street Improvements <u>Fund</u>	Capital Improvements <u>Fund</u>	Utility Improvements <u>Fund</u>	DOTD Phase II <u>Fund</u>
REVENUES:				
Taxes	\$ 0	\$ 502,140	\$ 0	\$ 0
Intergovernmental	0	0	0	485,686
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>14,655</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 502,140</u>	<u>\$ 14,655</u>	<u>\$485,686</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 16,674	\$ 0
Public Safety	0	0	0	0
Streets & Sanitation	19,231	0	0	0
Water, Sewer & Utilities	0	0	289,640	0
Economic Development	0	46,463	0	519,163
Recreation & Culture	0	0	0	0
Health & Welfare	0	0	0	0
Debt Service	<u>0</u>	<u>44,174</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 19,231</u>	<u>\$ 90,637</u>	<u>\$ 306,314</u>	<u>\$519,163</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (19,231)</u>	<u>\$ 411,501</u>	<u>\$ (291,659)</u>	<u>\$ (33,477)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$500,000	\$1,220,000	\$ 600,000	\$ 73,376
Operating Transfers Out	0	(311,085)	0	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$500,000</u>	<u>\$ 908,915</u>	<u>\$ 600,000</u>	<u>\$ 73,376</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$480,769	\$1,320,416	\$ 308,341	\$ 39,899
Fund Balances-Beginning of Year	<u>28,368</u>	<u>516,751</u>	<u>1,770,327</u>	<u>(3,402)</u>
Fund Balances-End of Year	<u>\$509,137</u>	<u>\$1,837,167</u>	<u>\$2,078,668</u>	<u>\$ 36,497</u>

See notes to financial statements.

Capital Projects Funds

<u>Water Treatment Plant Fund</u>	<u>Pilgrim's Industrial Park Fund</u>	<u>DOTD/LA 478 UT Relocation Fund</u>	<u>Riverbank Wall Fund</u>	<u>Virginia Baker Park Fund</u>	<u>Airport Hangar Fund</u>	<u>Airport Maintenance Projects Fund</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
551,613	0	581,610	0	0	30,001	337,665
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>3,503</u>	<u>60,773</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,445</u>	<u>0</u>
<u>\$ 555,116</u>	<u>\$ 60,773</u>	<u>\$581,610</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,446</u>	<u>\$337,665</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,445,853	0	550,702	0	0	0	0
0	0	0	0	17,457	68,686	339,634
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>193,203</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 1,639,056</u>	<u>\$ 0</u>	<u>\$550,702</u>	<u>\$ 0</u>	<u>\$ 17,457</u>	<u>\$ 68,686</u>	<u>\$339,634</u>
<u>\$(1,083,940)</u>	<u>\$ 60,773</u>	<u>\$ 30,908</u>	<u>\$ 0</u>	<u>\$(17,457)</u>	<u>\$ (32,240)</u>	<u>\$ (1,969)</u>
\$ 147,381	\$ 5,000	\$ 0	\$ 1,675	\$ 7,535	\$ 0	\$ 0
0	0	0	0	0	0	0
<u>891,309</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 1,038,690</u>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 1,675</u>	<u>\$ 7,535</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ (45,250)	\$ 65,773	\$ 30,908	\$ 1,675	\$ (9,922)	\$ (32,240)	\$ (1,969)
<u>1,530,010</u>	<u>(520,221)</u>	<u>(31,042)</u>	<u>(1,675)</u>	<u>9,922</u>	<u>(118,274)</u>	<u>(10,645)</u>
<u>\$ 1,484,760</u>	<u>\$(454,448)</u>	<u>\$(134)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(150,514)</u>	<u>\$(12,614)</u>

Continued on next page.

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2013

	Capital Projects Funds			
	Parking Lot Construction Fund	LCDBG Housing Fund	EECBG Fund	Community Water Enrichment
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	6,000	0	33,000
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 6,000</u>	<u>\$ 0</u>	<u>\$ 33,000</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	12,902	0
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	0	0	0	80,851
Economic Development	0	0	0	0
Recreation & Culture	0	0	0	0
Health & Welfare	0	7,525	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 7,525</u>	<u>\$ 12,902</u>	<u>\$ 80,851</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$(1,525)</u>	<u>\$(12,902)</u>	<u>\$(47,851)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 0	\$ 1,565	\$ 0	\$ 47,851
Operating Transfers Out	0	0	(6,009)	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 1,565</u>	<u>\$ (6,009)</u>	<u>\$ 47,851</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 40	\$(18,911)	\$ 0
Fund Balances-Beginning of Year	<u>26,403</u>	<u>(40)</u>	<u>18,911</u>	<u>0</u>
Fund Balances-End of Year	<u>\$ 26,403</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See notes to financial statements.

<u>Debt Service Fund</u>	
General	
Obligations	
<u>Fund</u>	<u>Total</u>
\$ 0	\$ 3,696,176
0	3,863,489
0	2,659,295
0	63,501
<u>0</u>	<u>276,601</u>
\$ <u>0</u>	\$ <u>10,559,062</u>
\$ 0	\$ 1,082,304
0	2,505,473
0	2,280,832
0	2,367,046
0	2,281,417
0	44,784
0	7,525
<u>176,450</u>	<u>501,038</u>
\$ <u>176,450</u>	\$ <u>11,070,419</u>
\$ <u>(176,450)</u>	\$ <u>(511,357)</u>
\$ 176,450	\$ 4,496,760
(7,534)	(3,689,190)
<u>0</u>	<u>891,309</u>
\$ <u>168,916</u>	\$ <u>1,698,879</u>
\$ (7,534)	\$ 1,187,522
<u>7,534</u>	<u>5,902,908</u>
\$ <u>0</u>	\$ <u>7,090,430</u>

See notes to financial statements.

OTHER REPORTS

Johnson, Thomas & Cunningham

Certified Public Accountants

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

To the Mayor and the City Council of
Natchitoches, 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, and the aggregate remaining fund information as of and for the year ended May 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Natchitoches, Louisiana's (City) basic financial statements and have issued our report thereon dated October 24, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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'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 the City of Natchitoches' 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 no 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

October 24, 2013
Natchitoches, Louisiana

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Mayor and the City Council of
Natchitoches, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Natchitoches, Louisiana's (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Natchitoches, Louisiana's major federal programs for the year ended May 31, 2013. The City of Natchitoches, Louisiana'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 requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Natchitoches, Louisiana'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 of Natchitoches, Louisiana'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 of Natchitoches, Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Natchitoches, Louisiana, 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 May 31, 2013.

Report on Internal Control over Compliance

Management of the City of Natchitoches 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 of Natchitoches' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 of Natchitoches' 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 that 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 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

October 24, 2013
Natchitoches, Louisiana

City of Natchitoches, Louisiana
Schedule of Audit Findings and Questioned Costs
Year Ended May 31, 2013

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. Since the City did not present all of its component units, an adverse opinion was issued for the City of Natchitoches as a reporting entity; however, an unmodified opinion was issued on the primary government financial statements of the City of Natchitoches as of and for the year ended May 31, 2013.
2. The audit disclosed no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose findings related to federal awards that are required to be reported under OMB Circular A-133.
7. The following programs were major for the year ended May 31, 2013:
 - Drinking Water State Revolving Funds (ARRA) - CFDA # 66.468
 - Assistance to Firefighters (FEMA) - CFDA # 97.044
8. \$300,000 was the threshold used to distinguish Type A and Type B programs.
9. The City of Natchitoches, Louisiana did qualify as a low-risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings were identified that were required to be reported in accordance with *Government Auditing Standards*.

III. PRIOR YEAR AUDIT FINDINGS

No findings.

City of Natchitoches, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended May 31, 2013

<u>Federal Grantor/Pass through Grantors/Program</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
U.S. Department of Transportation:				
Federal Aviation Administration				
Airport Improvement Program	20.106	3-22-0034-017-2011	\$ 24,700	\$ 24,700
U.S. Department of Homeland Security:				
Federal Emergency Management Agency-				
Assistance to Firefighters	97.044	EMW-2011-FV-00094	766,743	766,743
Assistance to Firefighters	97.044	EMW-2011-FV-00892	870,772	870,772
U.S. Department of Justice:				
Passed through La. Department of Public Safety-				
Byrne Formula Grant Program-				
STOP Grant	20.601	2013-30-23	13,775	13,775
STOP Grant	20.205	2013-30-23	2,499	2,499
U.S. Department of Justice:				
Passed through La. Commission on				
Law Enforcement and Administration-				
Knock-Knock Grant	16.588	M11-1-006	9,968	9,968
Multi-Drug Task Force	16.738	B11-1-007	2,641	2,641
Multi-Drug Task Force	16.738	B11-1-007	18,619	18,303
U.S. Department of Environmental Protection:				
Passed through La. Department				
of Health & Hospitals-				
Drinking Water State Revolving Fund - ARRA	66.468	-	1,103,227	1,103,227
Drinking Water State Revolving Fund	66.468	-	<u>339,694</u>	<u>339,694</u>
TOTALS			<u>\$3,152,638</u>	<u>\$3,152,322</u>

City of Natchitoches, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
Year Ended May 31, 2013

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Natchitoches, Louisiana and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

Note 2. Subrecipients

The City did not provide any funding to subrecipients.

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