

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

MAY 31, 2014

City of Natchitoches, Louisiana
Annual Financial Report
May 31, 2014

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CITY OF NATCHITOCHEs

Oldest Settlement in the Louisiana Purchase



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, 2014. 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 \$126,956,132 (net position). Of this amount, \$47,568,737 (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 \$30,741,027. Of this total amount, \$743,027 is unassigned and available for use within the City's designation and policies. \$7,883,342 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 \$2,028,863 or 14% of the total general fund expenditures.
- The City's bond and notes payable totaled \$5,476,358.

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, 2014

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, water, sewer, and utilities, 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, 2014

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 \$126,956,132 as of May 31, 2014, which is an increase of \$2,733,769 above May 31, 2013.

The largest portion of the City's net position (58%) 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, 2013			As of May 31, 2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$29,684,850	\$19,186,732	\$ 48,871,582	\$ 30,741,027	\$17,237,433	\$ 47,978,460
Capital assets	<u>39,948,524</u>	<u>54,082,912</u>	<u>94,031,436</u>	<u>36,293,428</u>	<u>57,696,559</u>	<u>93,989,987</u>
Total Assets	<u>\$69,633,374</u>	<u>\$73,269,644</u>	<u>\$142,903,018</u>	<u>\$ 67,034,455</u>	<u>\$74,933,992</u>	<u>\$141,968,447</u>
Long term liabilities	\$ 8,703,080	\$ 693,638	\$ 9,396,718	\$ 6,995,354	\$ 3,968,204	\$ 10,963,558
Other liabilities	<u>3,649,259</u>	<u>5,634,678</u>	<u>9,283,937</u>	<u>3,294,314</u>	<u>754,443</u>	<u>4,048,757</u>
Total Liabilities	<u>\$12,352,339</u>	<u>\$ 6,328,316</u>	<u>\$ 18,680,655</u>	<u>\$ 10,289,668</u>	<u>\$ 4,722,647</u>	<u>\$ 15,012,315</u>
Deferred inflows of resources	\$ _____ 0	\$ 559,016	\$ 559,016	\$ _____ 0	\$ _____ 0	\$ _____ 0
Net Position:						
Net investment in capital assets	\$33,813,894	\$51,256,142	\$ 85,070,036	\$ 32,002,070	\$41,908,967	\$ 73,911,037
Restricted	6,134,630	2,826,769	8,961,399	4,291,358	1,185,000	5,476,358
Unrestricted net position	<u>17,332,511</u>	<u>12,299,401</u>	<u>29,631,912</u>	<u>20,451,359</u>	<u>27,117,378</u>	<u>47,568,737</u>
Total Net Position	<u>\$57,281,035</u>	<u>\$66,382,312</u>	<u>\$123,663,347</u>	<u>\$ 56,744,787</u>	<u>\$70,211,345</u>	<u>\$126,956,132</u>

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis For Year Ended May 31, 2014

An additional portion of the City's net position (4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$47,568,737 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, 2013 and May 31, 2014. 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, 2013			As of May 31, 2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Fees, fines and charges for services	\$ 2,964,638	\$32,825,021	\$ 35,789,659	\$ 3,457,119	\$33,940,762	\$ 37,397,881
Operating grants and contributions	2,235,109	0	2,235,109	1,445,960	0	1,445,960
Capital grants and contributions	2,890,346	1,112,135	4,002,481	1,679,785	5,725,705	7,405,490
General Revenues:						
Ad valorem taxes	1,992,510	0	1,992,510	2,041,199	0	2,041,199
Sales and use tax	9,479,535	0	9,479,535	9,522,790	0	9,522,790
Franchise fees	863,331	0	863,331	415,036	0	415,036
Video bingo	0	0	0	473,280	0	473,280
Licenses and permits	827,894	0	827,894	804,217	0	804,217
Interest income	436,519	141,050	577,569	299,140	81,563	380,703
Gain (loss) on sale/retirement of fixed assets	(1,822)	64,306	62,484	83	12,025	12,108
Rental income	85,128	197,826	282,954	115,548	123,761	239,309
Insurance recoveries	18,514	29,166	47,679	58,550	31,243	89,793
Miscellaneous	<u>218,236</u>	<u>(6,377)</u>	<u>211,859</u>	<u>332,922</u>	<u>(7,553)</u>	<u>325,369</u>
Total Revenues	<u>\$22,009,938</u>	<u>\$34,363,127</u>	<u>\$ 56,373,064</u>	<u>\$20,645,629</u>	<u>\$39,907,506</u>	<u>\$ 60,553,135</u>
Expenses:						
General government	\$ 4,373,314	\$ 0	\$ 4,373,314	\$ 4,471,910	\$ 0	\$ 4,471,910
Public safety	9,599,922	0	9,599,922	8,764,537	0	8,764,537
Streets and sanitation	4,349,721	0	4,349,721	4,017,771	0	4,017,771
Recreation and cultural	1,040,998	0	1,040,998	1,026,623	0	1,026,623
Interest on long-term debt	247,397	111,530	358,927	191,048	94,504	285,552
Water, sewer, and utilities	1,762,651	29,168,674	30,931,325	6,200,834	29,872,866	36,073,700
Economic development	1,876,818	0	1,876,818	2,133,419	0	2,133,419
Health and welfare	245,028	0	245,028	210,170	0	210,170
Information tech	<u>0</u>	<u>270,918</u>	<u>270,918</u>	<u>0</u>	<u>274,670</u>	<u>274,670</u>
Total Expenses	<u>\$23,495,849</u>	<u>\$29,551,122</u>	<u>\$ 53,046,971</u>	<u>\$27,016,312</u>	<u>\$30,242,040</u>	<u>\$ 57,258,352</u>

CITY OF NATCHITOCHEs, LOUISIANA

Management’s Discussion and Analysis
For Year Ended May 31, 2014

City of Natchitoches’ Changes in Net Position (continued)

	As of May 31, 2013			As of May 31, 2014		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Increases in net position before transfers	\$ (1,485,911)	\$ 4,812,005	\$ 3,326,093	\$ (6,370,683)	\$ 9,665,466	\$ 3,294,783
Transfers	5,835,875	(5,861,354)	(25,478)	5,836,435	(5,836,435)	0
Capital transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase in net position	\$ 4,349,964	\$ (1,049,349)	\$ 3,300,615	\$ (534,248)	\$ 3,829,031	\$ 3,294,783
Net Position-June 1, 2011						
Net Position-May 31, 2013						
Net Position-June 1, 2013	<u>52,271,350</u>	<u>67,431,661</u>	<u>121,629,825</u>	<u>57,279,035</u>	<u>66,382,314</u>	<u>123,661,349</u>
Net Position-May 31, 2014	<u>\$57,281,035</u>	<u>\$66,382,312</u>	<u>\$123,663,347</u>	<u>\$56,744,787</u>	<u>\$70,211,345</u>	<u>\$126,956,132</u>

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 \$27,446,713 (a decrease of 8% from 2012 fiscal year). Of this total amount, \$743,027 constitutes unassigned fund balance. \$7,883,342 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.

Capital Assets

The City of Natchitoches’ investment in capital assets for its governmental and business-type activities as of May 31, 2014 amounts to \$99,077,315 (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 – Phase II.
- Improvements made to the water, sewer, and electric systems.
- Improvements made to the city airport.
- LCDBG Street Improvement Project.
- Airport Runway Project.
- Utility Infrastructure Improvements on Hwy 478.

CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2014

Capital Assets at Year-end Net of Accumulated Depreciation As of May 31, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Land	\$ 7,633,862	\$ 758,408	\$ 8,392,270
Construction in Progress	1,688,203	0	1,688,203
Buildings	12,384,499	1,072,717	13,457,216
Equipment	3,207,590	430,110	3,637,700
Utility System	0	55,435,324	55,435,324
Infrastructure	<u>11,466,602</u>	<u>0</u>	<u>11,466,502</u>
Total	<u>\$36,380,756</u>	<u>\$57,696,559</u>	<u>\$99,077,315</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 \$5,476,358. Of this amount, \$4,291,358 comprises bonded debt backed by the full faith and credit of the government and \$1,185,000 represents bonds secured solely by utilities revenues.

Outstanding Debt at Year End Bond and Notes Payable As of May 31, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
General Obligations	\$4,291,358	\$ 0	\$4,291,358
Revenue Bonds Payable	<u>0</u>	<u>1,185,000</u>	<u>1,185,000</u>
Total	<u>\$4,291,358</u>	<u>\$1,185,000</u>	<u>\$5,476,358</u>

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.

CITY OF NATCHITOCHES, LOUISIANA

Management's Discussion and Analysis
For Year Ended May 31, 2014

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2014-15 budget, general fund revenues are budgeted at a .01 percent increase from the 2013-14 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 2014-15 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

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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, 2014, 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, 2014, 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, 2014, 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-143, *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 14, 2014, 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

Johnson, Thomas & Cunningham, CPA's

October 14, 2014
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Government-Wide Statement of Net Position
May 31, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets:			
Cash & Cash Equivalents	\$ 28,619,219	\$ 4,396,086	\$ 33,015,305
Receivables, net	2,081,947	4,072,402	6,154,349
Other Receivables	0	50,262	50,262
Inventories at Cost	28,871	1,374,428	1,403,299
Prepaid Expenses	10,990	84,948	95,938
Restricted Assets-			
Cash & Cash Equivalents	0	7,259,307	7,259,307
Capital Assets-			
Land	7,633,862	758,408	8,392,270
Buildings	16,656,061	1,899,439	18,555,500
Machinery & Equipment	2,743,172	10,140,956	12,884,128
Vehicles	5,516,668	1,493,423	7,010,091
Other Assets	905,568	310,366	1,215,934
Streets	92,561,315	0	92,561,315
Other Infrastructure	11,191,156	0	11,191,156
Construction in Progress	1,688,203	0	1,688,203
Utility Plant & System	0	81,904,992	81,904,992
Accumulated Depreciation	<u>(102,602,577)</u>	<u>(38,811,025)</u>	<u>(141,413,602)</u>
Total Assets	<u>\$ 67,034,455</u>	<u>\$ 74,933,992</u>	<u>\$ 141,968,447</u>
Liabilities:			
Cash Overdrafts	\$ 1,234,953	\$ 0	\$ 1,234,953
Accounts Payable	776,327	1,866,255	2,642,582
Accrued Payroll	216,533	69,861	286,394
Accrued Expenses	1,066,501	18,527	1,085,028
Payable from Restricted Assets-			
Bond Principal	0	1,185,000	1,185,000
Customer's Deposits	0	828,561	828,561
Long-term Debt-			
Due Within One Year	408,096	0	408,096
Due in More than One Year	3,883,262	0	3,883,262
Net OPEB Obligation	647,980	193,531	841,511
Accrued Employee Vacations	<u>2,056,016</u>	<u>560,912</u>	<u>2,616,928</u>
Total Liabilities	<u>\$ 10,289,668</u>	<u>\$ 4,722,647</u>	<u>\$ 15,012,315</u>
Net Position:			
Net Investment in Capital Assets	\$ 32,002,070	\$ 41,908,967	\$ 73,911,037
Restricted for Debt Service	4,291,358	1,185,000	5,476,358
Unrestricted	<u>20,451,359</u>	<u>27,117,378</u>	<u>47,568,737</u>
Total Net Position	<u>\$ 56,744,787</u>	<u>\$ 70,211,345</u>	<u>\$ 126,956,132</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Government-Wide Statement of Activities
For the Year Ended May 31, 2014

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	\$ 4,471,910	\$ 85	\$ 391,756	\$ 0	\$ (4,080,069)	\$ 0	\$ (4,080,069)
Public Safety	8,764,537	200,788	715,741	0	(7,848,008)	0	(7,848,008)
Streets & Sanitation	4,017,771	2,003,567	0	42,348	(1,971,856)	0	(1,971,856)
Water, Sewer & Utilities	6,200,834	573,515	0	93,174	(5,534,145)	0	(5,534,145)
Economic Development	2,133,419	631,070	109,611	1,544,263	151,525	0	151,525
Health & Welfare	210,170	0	0	0	(210,170)	0	(210,170)
Recreation & Culture	1,026,623	48,094	228,852	0	(749,677)	0	(749,677)
Interest on Long-term Debt	<u>191,048</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(191,048)</u>	<u>0</u>	<u>(191,048)</u>
Total Governmental Activities	<u>\$27,016,312</u>	<u>\$ 3,457,119</u>	<u>\$1,445,960</u>	<u>\$1,679,785</u>	<u>\$(20,433,448)</u>	<u>\$ 0</u>	<u>\$(20,433,448)</u>
Business-Type Activities:							
Utilities Administration	\$ 1,259,857	\$ 1,062,376	\$ 0	\$ 0	\$ 0	\$ (197,481)	\$ (197,481)
Electric	23,153,861	28,060,846	0	0	0	4,906,986	4,906,986
Water	3,289,191	3,375,649	0	5,725,705	0	5,812,163	5,812,163
Sewer	2,169,957	1,441,891	0	0	0	(728,067)	(728,067)
Information Technology	274,670	0	0	0	0	(274,670)	(274,670)
Interest on Long-term Debt	<u>94,504</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(94,504)</u>	<u>(94,504)</u>
Total Business-Type Activities	<u>\$30,242,040</u>	<u>\$33,940,762</u>	<u>\$ 0</u>	<u>\$5,725,705</u>	<u>\$ 0</u>	<u>\$ 9,424,427</u>	<u>\$ 9,424,427</u>
Total Government	<u>\$57,258,352</u>	<u>\$37,397,881</u>	<u>\$1,445,960</u>	<u>\$7,405,490</u>	<u>\$(20,433,448)</u>	<u>\$ 9,424,427</u>	<u>\$(11,009,021)</u>
General Revenues:							
Taxes-							
Ad Valorem					\$ 2,041,199	\$ 0	\$ 2,041,199
Sales & Use					9,522,790	0	9,522,790
Franchise					415,036	0	415,036
Video Bingo					473,280	0	473,280
Licenses & Permits					804,217	0	804,217
Interest Income					299,140	81,563	380,703
Gain (Loss) on Sale of Assets					83	12,025	12,108
Rental Income					115,548	123,761	239,309
Insurance Recoveries					58,550	31,243	89,793
Miscellaneous					332,922	(7,553)	325,369
Transfers					<u>5,836,435</u>	<u>(5,836,435)</u>	<u>0</u>
Total General Revenues & Transfers					<u>\$ 19,899,200</u>	<u>\$ (5,595,396)</u>	<u>\$ 14,303,804</u>
Change in Net Position					\$ (534,248)	\$ 3,829,031	\$ 3,294,783
Net Position at Beginning of Year					<u>57,279,035</u>	<u>66,382,314</u>	<u>123,661,349</u>
Net Position at End of Year					<u>\$ 56,744,787</u>	<u>\$70,211,345</u>	<u>\$126,956,132</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Balance Sheet-Governmental Funds
May 31, 2014

	<u>Major Funds</u>			Total Governmental Funds
	<u>General Fund</u>	Capital Projects <u>Sales Tax Fund</u>	<u>Nonmajor Funds</u>	
<u>Assets</u>				
Cash & Cash Equivalents	\$2,371,039	\$16,258,872	\$ 9,989,308	\$28,619,219
Revenue Receivables	448,711	314,192	1,319,044	2,081,947
Due from Other Funds	0	0	0	0
Inventory	0	0	28,871	28,871
Prepaid Expenses	<u>7,575</u>	<u>0</u>	<u>3,415</u>	<u>10,990</u>
Total Assets	<u>\$2,827,325</u>	<u>\$16,573,064</u>	<u>\$11,340,638</u>	<u>\$30,741,027</u>
<u>Liabilities</u>				
Cash Overdrafts	\$ 0	\$ 0	\$ 1,234,953	\$ 1,234,953
Accounts Payable	82,957	123,191	570,179	776,327
Accrued Expenses	500,245	133,576	432,680	1,066,501
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>207,685</u>	<u>0</u>	<u>8,848</u>	<u>216,533</u>
Total Liabilities	<u>\$ 790,887</u>	<u>\$ 256,767</u>	<u>\$ 2,246,660</u>	<u>\$ 3,294,314</u>
<u>Fund Balance</u>				
Nonspendable	\$ 7,575	\$ 0	\$ 3,415	\$ 10,990
Restricted	0	16,316,297	2,493,057	18,809,354
Committed	0	0	7,883,342	7,883,342
Unassigned	<u>2,028,863</u>	<u>0</u>	<u>(1,285,836)</u>	<u>743,027</u>
Total Fund Balances	<u>\$2,036,438</u>	<u>\$16,316,297</u>	<u>\$ 9,093,978</u>	<u>\$27,446,713</u>
Total Liabilities & Fund Balances	<u>\$2,827,325</u>	<u>\$16,573,064</u>	<u>\$11,340,638</u>	<u>\$30,741,027</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, 2014

Total Fund Balances of the Governmental Funds \$ 27,446,713

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	138,896,005
Less, Accumulated Depreciation	(102,602,577)

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	(4,291,358)
Net OPEB Obligation	(647,980)
Accrued Compensated Absences	<u>(2,056,016)</u>

Total Net Position of Governmental Activities \$ 56,744,787

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended May 31, 2014

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Sales Tax Fund	Nonmajor Funds	
REVENUES:				
Taxes	\$ 5,002,517	\$ 3,741,483	\$ 3,708,305	\$12,452,305
Licenses & Permits	804,217	0	0	804,217
Intergovernmental	1,295,132	0	1,788,265	3,083,397
Charges for Services	94,636	0	3,180,436	3,275,072
Fines & Forfeits	100,751	0	81,296	182,047
Miscellaneous	190,879	64,906	788,869	1,044,654
Total Revenues	<u>\$ 7,488,132</u>	<u>\$ 3,806,389</u>	<u>\$ 9,547,171</u>	<u>\$20,841,692</u>
EXPENDITURES:				
Current-				
General Government	\$ 2,949,543	\$ 188,852	\$ 1,131,247	\$ 4,269,642
Public Safety	8,073,310	0	763,775	8,837,085
Streets & Sanitation	1,265,050	0	2,205,728	3,470,778
Water, Sewer & Utilities	0	716,495	1,113,572	1,830,067
Economic Development	258,209	0	3,230,411	3,488,620
Health & Welfare	209,152	0	0	209,152
Recreation & Culture	855,695	0	31,243	886,938
Debt Service	0	2,422,747	551,025	2,973,772
Total Expenditures	<u>\$13,610,959</u>	<u>\$ 3,328,094</u>	<u>\$ 9,027,001</u>	<u>\$25,966,054</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (6,122,827)</u>	<u>\$ 478,295</u>	<u>\$ 520,170</u>	<u>\$ (5,124,362)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 6,834,801	\$ 6,500	\$ 3,979,781	\$10,821,082
Operating Transfers Out	(689,278)	(1,100,000)	(3,195,369)	(4,984,647)
Sale of Capital Assets	83	0	0	83
Debt Proceeds	0	0	700,966	700,966
Total Other Financing	<u>\$ 6,145,606</u>	<u>\$ (1,093,500)</u>	<u>\$ 1,485,378</u>	<u>\$ 6,537,484</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 22,779</u>	<u>\$ (615,205)</u>	<u>\$ 2,005,548</u>	<u>\$ 1,413,122</u>
Fund Balances- Beginning of Year	<u>2,013,659</u>	<u>16,931,502</u>	<u>7,088,430</u>	<u>26,033,591</u>
Fund Balances- End of Year	<u>\$ 2,036,438</u>	<u>\$16,316,297</u>	<u>\$ 9,093,978</u>	<u>\$27,446,713</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, 2014

Net Change in Fund Balance - Governmental Funds	\$1,413,122
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>	
<p>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</p>	
	3,332,517
<p>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</p>	
	(1,829,279)
<p>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:</p>	
General Obligation Debt Payments	2,901,968
Net OPEB Obligation	(106,279)
Accrued Compensated Absences	(29,258)
<p>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</p>	
	(1,058,695)
<p>The net affect of sales transactions involving capital assets is to decrease net position:</p>	
Decrease in Capital Assets	(5,210,025)
Decrease in Accumulated Depreciation	<u>51,691</u>
Change in Net Position of Governmental Activities	\$ <u>(534,238)</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Net Position
Proprietary Fund
Year Ended May 31, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>	
Assets-		
Current Assets-		
Cash & Cash Equivalents	\$ 4,396,086	
Receivables	2,211,251	
Less, Allowance for Doubtful Accounts	(300,000)	
Unbilled Receivables	2,161,151	
Inventory at Cost	1,374,428	
Prepaid Expenses	<u>84,948</u>	
Total Current Assets	<u>\$ 9,927,864</u>	
Restricted Assets-		
Cash & Cash Equivalents-		
Bond Reserve Accounts	\$ 2,446,040	
Bond Redemption Accounts	4,328,277	
Customer's Deposit Accounts	<u>484,990</u>	
Total Restricted Assets	<u>\$ 7,259,307</u>	
Noncurrent Assets-		
Land	\$ 758,408	
Buildings		1,899,439
Machinery & Equipment	10,140,956	
Vehicles	1,493,423	
Other Assets	310,366	
Electric System	20,887,243	
Water System	39,154,395	
Sewer System	21,863,354	
Less, Accumulated Depreciation	<u>(38,811,025)</u>	
Total Noncurrent Assets	<u>\$ 57,696,559</u>	
Other Assets-		
Other Receivables	<u>\$ 50,262</u>	
Total Assets	<u>\$ 74,933,992</u>	
Liabilities-		
Current Liabilities-		
Accounts Payable	\$ 1,866,255	
Accrued Payroll	69,861	
Accrued Expenses	18,527	
Accrued Employee Vacations	<u>28,045</u>	
Total Current Liabilities	<u>\$ 1,982,688</u>	
Liabilities Payable from Restricted Assets-		
Current Portion of Revenue Bonds	\$ 155,000	
Customer's Deposits	<u>828,561</u>	
Total Payable from Restricted Assets	<u>\$ 983,561</u>	

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Net Position
Proprietary Fund
Year Ended May 31, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Noncurrent Liabilities-	
Revenue Bonds Payable	\$ 1,030,000
Net OPEB Obligation	193,531
Accrued Employee Vacations	<u>532,867</u>
Total Noncurrent Liabilities	<u>\$ 1,756,398</u>
 Total Liabilities	 <u>\$ 4,722,647</u>
Net Position-	
Net Investment in Capital Assets	\$ 41,908,967
Restricted for-	
Revenue Bond Retirement	1,185,000
Unrestricted	<u>27,117,378</u>
Total Net Position	<u>\$ 70,211,345</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, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Operating Revenues:	
Charges for Services-	
Electric	\$28,060,846
Water	3,375,649
Sewer	1,441,891
Miscellaneous-	
Penalties & Charges	406,822
New Account and Reconnect Fees	88,230
Production Credits	559,016
Bad Debt Recovery	5,319
Other	<u>2,989</u>
Total Operating Revenues	<u>\$33,940,762</u>
Operating Expenses:	
Utility Administration-	
Personnel Services	\$ 656,626
Utilities & Telephone	29,134
Supplies	348,258
Maintenance	94,274
Uncollectible Accounts	<u>131,565</u>
Total Administration	<u>\$ 1,259,857</u>
Electric-	
Personnel Services	\$ 1,482,849
Power Purchased	20,360,057
System Maintenance	548,386
Depreciation	571,711
Supplies & Miscellaneous	<u>190,858</u>
Total Electric	<u>\$23,153,861</u>
Water-	
Personnel Services	\$ 610,569
Treatment Expenses	759,752
System Maintenance	472,267
Utilities	215,308
Depreciation	1,046,257
Supplies & Miscellaneous	<u>185,038</u>
Total Water	<u>\$ 3,289,191</u>
Sewer-	
Personnel Services	\$ 820,364
Treatment Expenses	160,916
System Maintenance	191,025
Utilities	233,983
Depreciation	597,068
Supplies & Miscellaneous	<u>166,601</u>
Total Sewer	<u>\$ 2,169,957</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended May 31, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Information Technology Department-	
Personnel Services	\$ 151,416
Computer Software & Maintenance	112,222
Supplies & Maintenance	<u>11,032</u>
Total Information Technology Department	<u>\$ 274,670</u>
 Total Operating Expenses	 <u>\$30,147,536</u>
 Income from Operations	 <u>\$ 3,793,226</u>
Non-operating Revenues (Expenses):	
Interest Income	\$ 81,565
Insurance Recoveries	31,243
Gain (Loss) on Sale of Assets	12,025
Loss on Investments	(7,553)
Rental Income	123,761
Interest Expense	<u>(94,504)</u>
Total Non-operating Revenues (Expenses)	<u>\$ 146,537</u>
 Income Before Contributions and Transfers	 <u>\$ 3,939,763</u>
Contributions and Transfers-	
Capital Contributions from Other Funds	\$ 5,725,705
Transfers Out	(7,007,736)
Transfers In	<u>1,171,301</u>
Total Contributions and Transfers	<u>\$ (110,730)</u>
 Change in Net Position	 <u>\$ 3,829,033</u>
 Net Position at Beginning of Year	 <u>66,382,312</u>
 Net Position at End of Year	 <u>\$70,211,345</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Cash Flows
Proprietary Fund
Year Ended May 31, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 33,479,046
Cash Received from Customer Deposits	1,988
Cash Payments to Suppliers for Goods and Services	(24,087,617)
Cash Payments to Employees	<u>(3,646,841)</u>
Net Cash Provided by Operating Activities	<u>\$ 5,746,576</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental Income	\$ 123,761
Transfers to Other Funds	(7,007,736)
Transfers from Other Funds	<u>1,171,301</u>
Net Cash Used by Non-capital Financing Activities	<u>\$ (5,712,674)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from Issuance of Revenue Bonds	\$ 1,245,000
Gain on Sale of Assets	12,025
Insurance Recoveries	31,243
Acquisition and Construction of Capital Assets	(102,979)
Principal Paid on Capital Debt	(2,886,769)
Interest Paid on Capital Debt	<u>(94,504)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (1,795,984)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	\$ 81,565
Loss on Investments	<u>(7,553)</u>
Net Cash Provided by Investing Activities	<u>\$ 74,012</u>
Net Decrease in Cash & Cash Equivalents	\$ (1,688,070)
CASH & CASH EQUIVALENTS:	
Beginning of Year	<u>13,343,463</u>
End of Year	<u>\$ 11,655,393</u>

See notes to financial statements.

Continued next page.

City of Natchitoches, Louisiana
Statement of Cash Flows
Proprietary Fund
Year Ended May 31, 2014

Business-Type Activities
Enterprise Fund

RECONCILIATION OF INCOME FROM OPERATIONS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Income from Operations	\$ 3,793,226
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ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Depreciation	2,215,036
Changes in Assets and Liabilities-	
Decrease in Accounts Receivable	57,570
Decrease in Inventory	136,739
Decrease in Prepaid Expenses	27,191
Decrease in Other Receivables	39,729
Decrease in Accounts Payable	(41,190)
Increase in Accrued Payroll	14,178
Increase in Accrued Expenses	319
Increase in Compensated Absences	29,060
Increase in Net OPEB	31,745
Increase in Customer's Deposits	1,988
Decrease in Deferred Inflows/Outflows	<u>(559,015)</u>
Net Cash Provided by Operating Activities	<u>\$ 5,746,576</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the past year, the Enterprise Fund received Capital Assets with a net value of \$5,725,705 that were purchased and/or constructed by the Governmental Funds.

RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:

Current Assets-	
Cash and Cash Equivalents	\$ 4,396,086
Restricted Assets-	
Cash and Cash Equivalents	<u>7,259,307</u>
Total Cash and Cash Equivalents	<u>\$11,655,393</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Statement of Fiduciary Net Position
Agency Fund
Cash Bond Fund
Year Ended May 31, 2014

<u>Assets</u>	
Accounts Receivable	<u>\$17,160</u>
<u>Liabilities</u>	
Cash Overdraft	\$ 8,461
Cash Bonds Held for Future Disposition	<u>8,699</u>
Total Liabilities	<u>\$17,160</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

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.

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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.

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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.

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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, 2014 was \$300,000, which was not changed from the prior year.

City of Natchitoches, Louisiana
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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	5-13 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
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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	\$ 6,834,801	\$ 689,278
Special Revenue Funds-		
Hazard Tax	0	936,363
Sales Tax Police	0	1,849,057
Events Center Operations	277,625	0
Airport Operations	150,940	2,563
Asst. FF Grant	2,270	0
Miss Merry Christmas	4,500	0
Knock Knock Grant	5,980	0
NHDDC Projects Fund	4,082	0
Garbage Service	100,000	0
Employee Benefits	247,278	0
Liability Insurance	732,000	100,000
Workman's Compensation Fund	0	129,630
LLEBG	8,123	0
911 Police Grant	0	8,123
Local Government Assist. Program	5,173	0
Debt Service General Obligations	378,763	0
Capital Projects Funds-		
Capital Projects-Sales Tax	6,500	1,100,000
Capital Improvements-Special	800,000	9,082
Utility Improvements-CLECO	600,000	0
Airport Maintenance	2,563	0
Pilgrims Industrial Fund	5,000	0
Capital Improvements - Streets	300,000	113,500

City of Natchitoches, Louisiana
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	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Community Water Enrichment	0	47,051
LCDBG	113,500	0
Water Treatment Plant Fund	241,984	0
Enterprise Fund- Utility	<u>1,171,301</u>	<u>7,007,736</u>
Totals	<u>\$11,992,383</u>	<u>\$11,992,383</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
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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.

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The General Fund has an unassigned fund balance of \$2,028,863. 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	\$ 7,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,575
Airport Fund	19,641	0	0	0	0	0	0	0	19,641
911-Police Grant Fund	366	0	0	0	0	0	0	0	366
Utility Improvements Fund	<u>1,699</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,699</u>
Total	<u>\$29,281</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,281</u>
Restricted:									
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects-Sales Tax	0	0	16,316,297	0	0	0	0	0	16,316,297
Hazard Tax	0	308,303	0	156,937	0	0	0	0	465,240
Multi-Drug Task Force	0	0	0	4,374	0	0	0	0	4,374
Stop Grant	0	0	0	1,681	0	0	0	0	1,681
Prisoner Bond	0	0	0	27,864	0	0	0	0	27,864
LLEBG Grant Fund	0	0	0	5,890	0	0	0	0	5,890
Sales Tax Police	0	0	0	505,867	0	0	0	0	505,867
Water Treatment Plant	0	1,400,189	0	0	0	0	0	0	1,400,189
LCDBG	0	0	46,952	0	0	0	0	0	46,952
DOTD Gateway Ph. II	<u>0</u>	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
Total	<u>\$ 0</u>	<u>\$1,708,492</u>	<u>\$16,398,249</u>	<u>\$702,613</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$18,809,354</u>
Committed:									
Event Center Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$131,482	\$ 0	\$ 0	\$ 131,482
Workman's Compensation	0	0	0	0	0	0	452,255	0	452,255
Drug Recovery	0	0	0	99,532	0	0	0	0	99,532
911 Grant Fire	0	0	0	71,795	0	0	0	0	71,795
Animal Shelter	0	0	0	24,694	0	0	0	0	24,694
Liability Insurance	0	0	0	0	0	0	0	643,127	643,127
Main Street Promotions	0	0	0	0	57,517	0	0	0	57,517
Cane River Green Market	0	0	0	0	0	7,097	0	0	7,097
911-Police Grant	0	0	0	41,321	0	0	0	0	41,321
NW Law Enforcement	0	0	0	2,562	0	0	0	0	2,562
State Office of Culture Dev.	0	0	0	0	0	6,983	0	0	6,983
LAC/Traffic Enforcement Prog.	0	0	0	0	23,723	0	0	0	23,723
Miss Merry Christmas	0	0	0	0	293	0	0	0	293
LED Site Development	0	0	3,000	0	0	0	0	0	3,000
Capital Improvements	0	320,055	2,226,484	0	0	0	0	0	2,546,539
Street Improvements Fund	0	0	546,561	0	0	0	0	0	546,561
General Obligations	0	199,750	0	0	0	0	0	0	199,750
Utility Improvements Fund	0	0	2,980,417	0	0	0	0	0	2,980,417
Parking Lot Construction	<u>0</u>	<u>0</u>	<u>26,403</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,403</u>
Total	<u>\$ 0</u>	<u>\$ 519,805</u>	<u>\$ 5,782,865</u>	<u>\$239,904</u>	<u>\$81,533</u>	<u>\$145,562</u>	<u>\$452,255</u>	<u>\$643,127</u>	<u>\$ 7,865,051</u>

City of Natchitoches, Louisiana
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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 “net investment in capital assets”.

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.

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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, 2014, taxes of 17.03 mills were levied on property with an assessed valuation totaling \$119,993,790 and were dedicated as follows:

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

Total taxes collected were \$2,041,199 after small adjustments were made to the original tax roll. A tax sale was held on May 15, 2014, 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	\$ 9,599,840
Pilgrim's Pride	3,250,550
AT&T Southeast Tax Dept.	2,240,300
Atomos Energy Louisiana	1,839,690
Walmart Louisiana, LLC	<u>1,616,230</u>
Total	<u>\$18,546,610</u>

City of Natchitoches, Louisiana
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3. Restricted Assets-Proprietary Fund Type

Restricted assets of the Utility Fund were applicable to the following at May 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Bond Reserve Account	\$2,446,040	\$2,436,162
Customer's Deposit Account	484,990	482,520
Bond Interest & Redemption Account	<u>4,328,277</u>	<u>4,328,277</u>
Total	<u>\$7,259,307</u>	<u>\$7,246,959</u>

4. Capital Assets

Capital assets and depreciation activity as of and for the year ended May 31, 2014, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
General Fund-				
Capital Assets; not depreciated-				
Land	\$ 5,633,750	\$ 25,000	\$ 0	\$ 5,658,750
Capital Assets; depreciated-				
Buildings	5,323,057	364,820	0	5,687,877
Machinery & Equipment	1,993,825	379,986	8,027	2,365,784
Vehicles	5,239,934	251,871	43,664	5,448,141
Other Assets	848,117	42,348	0	890,465
Streets	92,561,315	0	0	92,561,315
Other Infrastructure	<u>6,148,994</u>	<u>494,122</u>	<u>0</u>	<u>6,643,116</u>
Total Assets	<u>\$117,748,992</u>	<u>\$1,558,147</u>	<u>\$ 51,691</u>	<u>\$119,255,448</u>
Accumulated Depreciation-				
Buildings	\$ 2,124,583	\$ 129,785	\$ 0	\$ 2,254,368
Machinery & Equipment	1,456,247	169,575	8,027	1,617,795
Vehicles	3,328,795	332,525	43,664	3,617,656
Other Assets	353,713	62,210	0	415,923
Streets	85,678,613	522,680	0	86,201,293
Other Infrastructure	<u>4,768,409</u>	<u>133,602</u>	<u>0</u>	<u>4,902,011</u>
Total Accumulated Depn.	<u>\$ 97,710,360</u>	<u>\$1,350,377</u>	<u>\$ 51,691</u>	<u>\$ 99,099,046</u>

City of Natchitoches, Louisiana
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Airport Fund-				
Capital Assets; not depreciated-				
Land	\$ 335,500	\$ 0	\$ 0	\$ 335,500
Capital Assets; depreciated-				
Buildings	1,490,367	0	0	1,490,367
Other Infrastructure	3,456,278	0	0	3,456,278
Machinery & Equipment	157,024	10,500	0	167,524
Furniture & Fixtures	15,103	0	0	15,103
Vehicles	<u>45,590</u>	<u>0</u>	<u>0</u>	<u>45,590</u>
Total Assets	<u>\$ 5,499,862</u>	<u>\$ 10,500</u>	<u>\$ 0</u>	<u>\$ 5,510,362</u>
Accumulated Depreciation-				
Buildings	\$ 337,247	\$ 37,259	\$ 0	\$ 374,506
Other Infrastructure	921,087	93,126	0	1,014,213
Machinery & Equipment	108,190	20,495	0	128,685
Furniture & Fixtures	10,070	3,021	0	13,091
Vehicles	<u>25,239</u>	<u>4,608</u>	<u>0</u>	<u>29,847</u>
Total Accumulated Depn.	<u>\$ 1,401,833</u>	<u>\$ 158,509</u>	<u>\$ 0</u>	<u>\$ 1,560,342</u>
Convention Center Fund-				
Capital Assets; not depreciated-				
Land	\$ 881,623	\$ 0	\$ 0	\$ 881,623
Capital Assets; depreciated-				
Buildings	9,477,819	0	0	9,477,819
Vehicles	22,935	0	0	22,935
Machinery & Equipment	209,864	0	0	209,864
Furniture & Fixtures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 10,592,241</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,592,241</u>
Accumulated Depreciation-				
Buildings	\$ 1,381,370	\$ 261,320	\$ 0	\$ 1,642,690
Vehicles	22,935	0	0	22,935
Machinery & Equipment	194,727	4,485	0	199,212
Furniture & Fixtures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Accumulated Depn.	<u>\$ 1,599,032</u>	<u>\$ 265,805</u>	<u>\$ 0</u>	<u>\$ 1,864,837</u>
Sabine Bank/Industrial Park/Pilgrim's-				
Capital Assets; not depreciated-				
Land	\$ 757,989	\$ 0	\$ 0	\$ 757,989
Capital Assets; depreciated-				
Other Infrastructure	<u>1,091,762</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>\$ 1,849,751</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Accumulated Depreciation- Other Infrastructure	\$ <u>113,764</u>	\$ <u>54,588</u>	\$ <u>0</u>	\$ <u>168,352</u>
Total Accumulated Depn.	\$ <u>113,764</u>	\$ <u>54,588</u>	\$ <u>0</u>	\$ <u>168,352</u>
Rehab Water Treatment Plant- Construction in Progress	\$ <u>4,370,769</u>	\$ <u>787,566</u>	\$ <u>5,158,335</u>	\$ <u>0</u>
Central Fire Station Bay Renovation- Construction in Progress	\$ <u>91,278</u>	\$ <u>48,116</u>	\$ <u>139,394</u>	\$ <u>0</u>
Airport Taxiway & Apron- Construction in Progress	\$ <u>126,499</u>	\$ <u>1,354,346</u>	\$ <u>0</u>	\$ <u>1,480,845</u>
Hotel Land Development- Construction in Progress	\$ <u>494,122</u>	\$ <u>0</u>	\$ <u>494,122</u>	\$ <u>0</u>
Old Public Works Rehab- Construction in Progress	\$ <u>0</u>	\$ <u>23,248</u>	\$ <u>0</u>	\$ <u>23,248</u>
Sampite Park Rehab- Construction in Progress	\$ <u>0</u>	\$ <u>84,117</u>	\$ <u>0</u>	\$ <u>84,117</u>
Tennis Courts- Construction in Progress	\$ <u>0</u>	\$ <u>99,993</u>	\$ <u>0</u>	\$ <u>99,993</u>
Total Assets-Governmental Funds	\$ <u>140,773,514</u>	\$ <u>3,966,033</u>	\$ <u>5,843,542</u>	\$ <u>138,896,005</u>
Total Accumulated Depn.	\$ <u>100,824,989</u>	\$ <u>1,829,279</u>	\$ <u>51,691</u>	\$ <u>102,602,577</u>
Total Nets Assets	\$ <u>39,948,525</u>	\$ <u>2,136,754</u>	\$ <u>5,791,851</u>	\$ <u>36,293,428</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
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Depreciation expense of \$1,829,279 for the year ended May 31, 2014, was charged to the following governmental functions:

General Fund-	
Finance Department	\$ 39,760
Community Development Department	77,484
Fire Department	185,718
Recreation Department	155,751
Public Works Department	700,049
Purchasing Department	6,906
Police Department	184,709
Airport Fund	158,509
Convention Center	265,805
Industrial Park South	<u>54,588</u>
Total	<u>\$1,829,279</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Utility Fund-				
Capital Assets; not depreciated-				
Land	\$ 758,408	\$ 0	\$ 0	\$ 758,408
Capital Assets; depreciated-				
Buildings	1,899,439	0	0	1,899,439
Furniture & Fixtures	310,366	0	0	310,366
Machinery & Equipment	10,085,260	73,524	17,828	10,140,956
Vehicles	1,451,563	55,235	13,375	1,493,423
Electric System	20,856,421	30,822	0	20,887,243
Water System	33,479,815	5,674,580	0	39,154,395
Sewer System	<u>21,863,354</u>	<u>0</u>	<u>0</u>	<u>21,863,354</u>
Total Assets	<u>\$90,704,626</u>	<u>\$5,834,161</u>	<u>\$ 31,203</u>	<u>\$96,507,584</u>
Accumulated Depreciation-				
Buildings	\$ 788,733	\$ 37,989	\$ 0	\$ 826,722
Furniture & Fixtures	310,366	0	0	310,366
Machinery & Equipment	9,391,075	507,939	12,349	9,886,665
Vehicles	1,299,971	31,008	13,375	1,317,604
Electric System	6,584,673	417,745	0	7,002,418
Water System	11,261,075	783,088	0	12,044,163
Sewer System	<u>6,985,820</u>	<u>437,267</u>	<u>0</u>	<u>7,423,087</u>
Total Accumulated Depn.	<u>\$36,621,713</u>	<u>\$2,215,036</u>	<u>\$ 25,724</u>	<u>\$38,811,025</u>
Total Net Assets	<u>\$54,082,913</u>	<u>\$3,619,125</u>	<u>\$ 5,479</u>	<u>\$57,696,559</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
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Depreciation expense of \$2,215,036 for the year ended May 31, 2014, was charged to the following business-type functions:

Electric System	\$ 571,711
Water System	1,046,257
Sewer System	<u>597,068</u>
 Total Utility Fund	 <u>\$2,215,036</u>

5. Long-Term Debt

General Obligation-At May 31, 2014, 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. The City paid this debt from the Sales Tax Capital Projects Fund and was paid in full during fiscal year 2014.
- 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. The City paid this debt from the Sales Tax Capital Projects Fund and was paid in full during fiscal year 2014.
- 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 paid this debt with transfers from the Utility Fund and was paid in full during fiscal year 2014.
- 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) 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. These bonds are to be repaid from the Utility Fund.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

- 6) 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 to be repaid by the Capital Improvements Special Fund.
- 7) In October 2013, the City entered into an agreement with Motorola Solutions, Inc. for the purchase of police radio equipment. The original purchase price was \$357,729, with annual payments to be repaid over three years with no interest. This debt is to be repaid from the Sales Tax Police 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.
- 5) 2013 Revenue Refunding Bonds

General Obligations and Revenue Bonds Outstanding at May 31, 2014, 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%	\$ 0
Series 2003 Refunding	08-14-03	07-01-14	3.00%	0
Series 2003 C of I	08-14-03	08-01-13	3.00%	0
Oshkosh Capital	12-14-07	10-29-17	1.75%	308,303
Series 2009 Revolving	12-14-09	12-01-30	2.95%	3,663,000
Thaxton Family Trusts	05-01-13	05-01-16	0.00%	81,569
Motorolla Solutions	10-01-13	10-01-15	0.00%	<u>238,486</u>
 Total General Obligation Debt				 <u>\$4,291,358</u>
Revenue Bonds-				
1993 Series A, DEQ #3	06-01-99	12-01-13	2.95%	\$ 0
Series 2003 A	08-14-04	12-01-22	4.00%	0
Series 2003 B	08-14-04	12-01-22	4.00%	0
1999 Revenue, DEQ #5	07-20-99	07-20-19	3.45%	0
2013 Revenue Refunding Bonds	12-01-13	12-01-19	2.15%	<u>1,185,000</u>
 Total Revenue Bonds				 <u>\$1,185,000</u>
 Total General Obligation and Revenue Bonds Payable				 <u>\$5,476,358</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

The annual debt service requirements to maturity of all long-term debt outstanding at May 31, 2014, excluding interest payments of \$913,126 are as follows:

Year Ending <u>May 31</u>	General <u>Obligation</u>	Revenue <u>Bonds</u>	<u>Total</u>
2015	\$ 408,096	\$ 155,000	\$ 563,096
2016	415,403	160,000	575,403
2017	264,905	165,000	429,905
2018	272,954	165,000	437,954
2019	195,000	170,000	365,000
2020	199,000	175,000	374,000
Thereafter	<u>2,536,000</u>	<u>195,000</u>	<u>2,731,000</u>
Total	<u>\$4,291,358</u>	<u>\$1,185,000</u>	<u>\$5,476,358</u>

The following is a summary of changes in long-term debt for the year ended May 31, 2014:

	Balance <u>06-01-13</u>	<u>Additions</u>	<u>Reduction</u>	Balance <u>05-31-14</u>
General Obligation	\$ 6,134,631	\$1,058,695	\$2,901,968	\$4,291,358
Revenue Bonds	2,826,769	1,245,000	2,886,769	1,185,000
Compensated Absences	<u>2,558,600</u>	<u>58,328</u>	<u>0</u>	<u>2,616,928</u>
Total	<u>\$11,520,000</u>	<u>\$2,362,023</u>	<u>\$5,788,737</u>	<u>\$8,093,286</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 2014 were \$3,741,482. The .5% levy is dedicated to the Police Department. Collections for 2014 were \$1,870,741.

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
May 31, 2014

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
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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
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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 18.75 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, 2014, 2013 and 2012, were \$965,046, \$898,528, and \$816,697, 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 31.5 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, 2014, 2013, and 2012, were \$716,347, \$751,671, and \$610,279, respectively, equal to the required contributions for each year.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

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 29.25 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, 2014, 2013, and 2012, were \$554,074, \$479,482, and \$452,601, 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, 2014, 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
Notes to Financial Statements
May 31, 2014

10. Cash and Investments

Cash and investments are held separately by each of the City's funds. At May 31, 2014, cash and investments totaled \$39,031,198 (book balances), including \$3,785 cash on hand. Bank account and investment balances at May 31, 2014, totaled \$40,462,834, and of this amount \$5,025,877 was secured by government securities. The remaining amount was secured as follows: \$850,000 with FDIC insurance and \$34,586,957 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, 2014 follows:

Don Mims	\$10,741
Larry Payne	8,341
Sylvia Morrow	3,900
Dale A. Nielsen	8,341
David Stamey	8,341
Andrew Vallien	<u>3,600</u>
Total	<u>\$43,264</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.

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- 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.

13. Receivables

The following is a summary of receivables at May 31, 2014:

<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	\$396,928	\$167,624	\$ 412,565	\$ 0	\$ 0
Intergovernmental-					
Federal	0	0	372,084	0	0
State	0	0	342,174	0	0
Local	51,783	3,068	0	0	0
Other Receivables	<u>0</u>	<u>335,229</u>	<u>492</u>	<u>4,422,664</u>	<u>17,260</u>
Total	<u>\$448,711</u>	<u>\$505,921</u>	<u>\$1,127,315</u>	<u>\$4,422,664</u>	<u>\$17,260</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, 2014, 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	\$ 82,957	\$159,843	\$ 533,527	\$1,866,255
Accrued Payroll	207,685	8,848	0	69,861
Accrued Expenses	<u>500,245</u>	<u>68,039</u>	<u>498,217</u>	<u>18,527</u>
Total	<u>\$790,887</u>	<u>\$236,730</u>	<u>\$1,031,744</u>	<u>\$1,954,643</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

15. Fund Deficits

The following individual funds have deficits in unassigned fund balances at May 31, 2014:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Funds-	
Employee Benefits	\$ 129,950
Knock-Knock Grant	291
Garbage Service	449,316
Keep Louisiana Beautiful	272
Economic Development Districts	31,654
Capital Projects Funds-	
Pilgrim's Industrial Park	388,675
DOTD/LA 478 UT Relocation	6,229
Airport Maintenance	139,103
Airport Hangar	<u>140,346</u>
Total	<u>\$1,285,836</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 \$1,234,953, \$842,817 will be funded by the receipt of revenue receivables and the remaining \$392,136 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.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

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 2014 and 2013, the City's portion of health care funding cost for retired employees totaled \$211,072 and \$195,437, 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 Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open 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>2014</u>	<u>2013</u>
Normal Cost	\$163,686	\$157,390
30-year UAL amortization amount	<u>198,754</u>	<u>191,110</u>
Annual required contribution (ARC)	<u>\$362,440</u>	<u>\$348,500</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, 2014:

	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 362,440	\$ 348,500
Interest on Net OPEB Obligation	28,139	22,417
ARC Adjustment	<u>(40,683)</u>	<u>(32,409)</u>
OPEB Cost	\$ 349,897	\$ 338,508
Contribution to Irrevocable Trust	0	0
Current year retiree premium	<u>(211,072)</u>	<u>(195,437)</u>
Change in Net OPEB Obligation	\$ 138,825	\$ 143,071
Beginning Net OPEB Obligation	<u>703,487</u>	<u>560,416</u>
Ending Net OPEB Obligation	<u>\$ 842,312</u>	<u>\$ 703,487</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 2014

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, 2014	\$349,897	60.32%	\$842,312
May 31, 2013	\$338,508	57.73%	\$703,487

Funded Status and Funding Progress. In 2014 and 2013, 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, 2013 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year May 31, 2014 was \$3,436,865, 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>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$3,436,865	\$3,304,678
Actuarial Value of Plan Assets (AVP)	<u>0</u>	<u>0</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$3,436,865</u>	<u>\$3,304,678</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$8,402,003	\$9,989,018
UAAL as a percentage of covered payroll	40.91%	33.08%

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, 2014

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
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May 31, 2014

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 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
OPEB Cost	\$ 327,721	\$ 338,508	\$ 349,897
Contribution	0	0	0
Retiree premium	<u>(180,960)</u>	<u>(195,437)</u>	<u>(211,072)</u>
Total contribution and premium	<u>\$(180,960)</u>	<u>\$(195,437)</u>	<u>\$(211,072)</u>
Change in net OPEB obligation	<u>\$ 146,761</u>	<u>\$ 143,071</u>	<u>\$ 138,825</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	55.22%	57.73%	60.32%

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, 2014

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, 2014, 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 \$564,996 and the related expenditures are as follows:

City Marshal's Office	\$ 18,000
City Police Department	304,836
City Fire Department	<u>242,160</u>
Total	<u>\$564,996</u>

19. Subsequent Events:

Management has evaluated events through October 14, 2014, the date which the financial statements were available for issue. We noted the following items to be reported as subsequent events:

- 1) Resolution # 83 of 2014, the City entered into an agreement with the State of Louisiana Division of Administration for a project to renovate the Texas & Pacific Railroad Depot. The maximum funds available are \$196,000 and the City's portion is \$45,000.
- 2) Resolution # 87 of 2014, the City entered into an agreement with the State of Louisiana Division of Administration for a project to renovate the Breda Town Park. The maximum funds available are \$49,000 and the City's portion is \$9,800.
- 3) Ordinance #32 of 2014, the City awarded the bid to Altec Industries for the purchase of a bucket truck in the amount of \$236,612 to be used in the utility department.
- 4) Resolution # 92 of 2014, the City entered into an agreement with the Federal Aviation Administration for a project at the Airport. The maximum federal funds available are \$121,500.
- 5) Ordinance #36 of 2014, the City awarded the bid to Williams Paint and Sandblasting for the Amulet Street Elevated Tank Rehabilitation in the amount of \$257,910.

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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 5,035,467	\$ 5,035,467	\$ 5,002,517	\$ (32,950)
Licenses & Permits	754,020	754,020	804,217	50,197
Intergovernmental	1,174,386	1,174,386	1,295,132	120,746
Charges for Services	97,200	97,200	94,636	(2,564)
Fines & Forfeits	191,000	191,000	100,751	(90,249)
Miscellaneous	<u>252,000</u>	<u>252,000</u>	<u>190,879</u>	<u>(61,121)</u>
Total Revenues	<u>\$ 7,504,073</u>	<u>\$ 7,504,073</u>	<u>\$ 7,488,132</u>	<u>\$ (15,941)</u>
EXPENDITURES:				
Current-				
General Government	\$ 3,128,111	\$ 3,128,111	\$ 2,949,543	\$ 178,568
Public Safety	8,041,839	8,041,839	8,073,310	(31,471)
Streets & Sanitation	1,229,351	1,229,351	1,265,050	(35,699)
Economic Development	287,454	287,454	258,209	29,245
Health & Welfare	241,430	241,430	209,152	32,278
Recreation & Culture	<u>842,474</u>	<u>842,474</u>	<u>855,695</u>	<u>(13,221)</u>
Total Expenditures	<u>\$13,770,659</u>	<u>\$13,770,659</u>	<u>\$13,610,959</u>	<u>\$ 159,700</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (6,266,586)</u>	<u>\$ (6,266,586)</u>	<u>\$ (6,122,827)</u>	<u>\$ 143,759</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 6,803,586	\$ 6,803,586	\$ 6,834,801	\$ 31,215
Operating Transfers Out	(529,500)	(529,500)	(689,278)	(159,778)
Sale of Capital Assets	<u>3,000</u>	<u>3,000</u>	<u>83</u>	<u>(2,917)</u>
Total Other Financing	<u>\$ 6,277,086</u>	<u>\$ 6,277,086</u>	<u>\$ 6,145,606</u>	<u>\$(131,480)</u>
Excess (Deficiency) of Revenues and Other Sources over Expen- ditures and Other Uses	\$ 10,500	\$ 10,500	\$ 22,779	\$ 12,279
Fund Balance-Beginning of Year	<u>2,013,659</u>	<u>2,013,659</u>	<u>2,013,659</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 2,024,159</u>	<u>\$ 2,024,159</u>	<u>\$ 2,036,438</u>	<u>\$ 12,279</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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes-				
Cable TV Franchise	\$ 225,000	\$ 225,000	\$ 237,831	\$ 12,831
Atmos Franchise	150,000	150,000	177,205	27,205
Sales & Use Tax	3,850,000	3,850,000	3,741,482	(108,518)
Ad Valorem Taxes	<u>810,467</u>	<u>810,467</u>	<u>845,999</u>	<u>35,532</u>
Total Taxes	<u>\$5,035,467</u>	<u>\$5,035,467</u>	<u>\$5,002,517</u>	<u>\$ (32,950)</u>
Licenses & Permits-				
Insurance Licenses	\$ 200,000	\$ 200,000	\$ 235,367	\$ 35,367
Liquor Licenses	22,320	22,320	21,110	(1,210)
Occupational Licenses	451,500	451,500	460,502	9,002
Building Permits	80,000	80,000	87,138	7,138
Mobile Home Permits	100	100	50	(50)
Street Breaking Permits	<u>100</u>	<u>100</u>	<u>50</u>	<u>(50)</u>
Total Licenses & Permits	<u>\$ 754,020</u>	<u>\$ 754,020</u>	<u>\$ 804,217</u>	<u>\$ 50,197</u>
Intergovernmental-				
Beer Taxes	\$ 23,000	\$ 23,000	\$ 25,777	\$ 2,777
Payments in Lieu of Taxes	90,000	90,000	102,474	12,474
Main Street Program-DOTD	29,280	29,280	29,280	0
Fire Insurance Tax	61,000	61,000	70,156	9,156
School Board-Crossing Guards	65,000	65,000	88,412	23,412
NHDDC	47,000	47,000	47,000	0
Police Jury	3,131	3,131	3,131	0
Wage Reimbursement	248,975	248,975	228,852	(20,123)
City Court	6,000	6,000	62,527	56,527
Local Grant-Miscellaneous	0	0	47,227	47,227
State Supplemental Pay	550,000	550,000	564,996	14,996
Christmas Festival	<u>51,000</u>	<u>51,000</u>	<u>25,300</u>	<u>(25,700)</u>
Total Intergovernmental	<u>\$1,174,386</u>	<u>\$1,174,386</u>	<u>\$1,295,132</u>	<u>\$ 120,746</u>

City of Natchitoches, Louisiana
Major Funds

General Fund
Statement of Revenues-
Budget (GAAP Basis) and Actual
Year Ended May 31, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services-				
Animal Shelter	\$ 8,000	\$ 8,000	\$ 4,068	\$ (3,932)
Recreation Department	41,200	41,200	48,095	6,895
Police Fees	41,000	41,000	12,256	(28,744)
Demolition/Grass Cutting	5,000	5,000	28,982	23,982
Rezoning	<u>2,000</u>	<u>2,000</u>	<u>1,235</u>	<u>(765)</u>
Total Charges for Services	\$ <u>97,200</u>	\$ <u>97,200</u>	\$ <u>94,636</u>	\$ <u>(2,564)</u>
Fines & Forfeits-				
Warrant Bond Fee	\$ 46,000	\$ 46,000	\$ 12,525	\$ (33,475)
Court Costs	11,000	11,000	5,948	(5,052)
Court Fines	100,000	100,000	53,529	(46,471)
Marshal's Office	<u>34,000</u>	<u>34,000</u>	<u>28,749</u>	<u>(5,251)</u>
Total Fines & Forfeits	\$ <u>191,000</u>	\$ <u>191,000</u>	\$ <u>100,751</u>	\$ <u>(90,249)</u>
Miscellaneous-				
Insurance Recovery	\$ 1,000	\$ 1,000	\$ 857	\$ (143)
Workman's Comp. Recovery	5,000	5,000	0	(5,000)
Interest Income	220,000	220,000	150,067	(69,933)
Rent Income	11,000	11,000	25,537	14,537
Gain (Loss) on Investments	0	0	(8,406)	(8,406)
Other	<u>15,000</u>	<u>15,000</u>	<u>22,824</u>	<u>7,824</u>
Total Miscellaneous	\$ <u>252,000</u>	\$ <u>252,000</u>	\$ <u>190,879</u>	\$ <u>(61,121)</u>
TOTAL REVENUES	\$ <u>7,504,073</u>	\$ <u>7,504,073</u>	\$ <u>7,488,132</u>	\$ <u>(15,941)</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, 2014

	<u>Budgeted Amounts</u>		2014 <u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT:				
City Hall-				
Personnel Cost	\$ 427,256	\$ 417,256	\$ 442,112	\$ (24,856)
Supplies & Postage	29,287	29,287	25,469	3,818
Maintenance	10,050	10,050	12,446	(2,396)
Mayor's Expense	8,000	8,000	8,165	(165)
Fuel, Travel & Auto	11,500	11,500	12,676	(1,176)
Utilities	5,345	5,345	3,646	1,699
Miscellaneous	15,580	15,580	11,359	4,221
Capital Expenditures	<u>0</u>	<u>10,000</u>	<u>9,482</u>	<u>518</u>
Total	<u>\$ 507,018</u>	<u>\$ 507,018</u>	<u>\$ 525,355</u>	<u>\$ (18,337)</u>
Purchasing Department-				
Personnel Cost	\$ 197,119	\$ 197,119	\$ 203,170	\$ (6,051)
Supplies & Postage	14,000	14,000	12,328	1,672
Maintenance	12,900	12,900	11,465	1,435
Fuel, Travel & Auto	7,400	7,400	12,469	(5,069)
Utilities	14,350	14,350	13,986	364
Miscellaneous	<u>13,450</u>	<u>13,450</u>	<u>10,387</u>	<u>3,063</u>
Total	<u>\$ 259,219</u>	<u>\$ 259,219</u>	<u>\$ 263,805</u>	<u>\$ (4,586)</u>
City Garage-				
Personnel Cost	\$ 224,429	\$ 224,429	\$ 207,828	\$ 16,601
Supplies & Postage	12,930	12,930	14,845	(1,915)
Repairs & Miscellaneous	4,645	4,645	5,167	(522)
Utilities	6,950	6,950	6,316	634
Capital Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total	<u>\$ 253,954</u>	<u>\$ 253,954</u>	<u>\$ 234,156</u>	<u>\$ 19,798</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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
City Court-				
Personnel Cost	\$ 151,136	\$ 151,136	\$ 200,588	\$ (49,452)
Office & Supplies	<u>1,500</u>	<u>1,500</u>	<u>1,933</u>	<u>(433)</u>
Total	\$ <u>152,636</u>	\$ <u>152,636</u>	\$ <u>202,521</u>	\$ <u>(49,885)</u>
Community Affairs-				
Personnel Cost	\$ 330,232	\$ 330,232	\$ 339,543	\$ (9,311)
Fuel & Travel	10,300	10,300	13,190	(2,890)
Repairs & Miscellaneous	18,650	58,650	56,009	2,641
Supplies & Postage	36,050	36,050	32,793	3,257
Utilities	<u>13,100</u>	<u>13,100</u>	<u>9,485</u>	<u>3,615</u>
Total	\$ <u>408,332</u>	\$ <u>448,332</u>	\$ <u>451,020</u>	\$ <u>(2,688)</u>
Planning & Zoning-				
Personnel Cost	\$ 185,962	\$ 185,962	\$ 187,710	\$ (1,748)
Supplies & Postage	10,050	6,450	8,687	(2,237)
Repairs & Miscellaneous	39,000	45,600	38,874	6,726
Fuel & Travel	6,500	4,000	3,921	79
Utilities	<u>3,000</u>	<u>2,500</u>	<u>2,421</u>	<u>79</u>
Total	\$ <u>244,512</u>	\$ <u>244,512</u>	\$ <u>241,613</u>	\$ <u>2,899</u>
Beautification-				
Personnel Cost	\$ 127,025	\$ 127,025	\$ 123,656	\$ 3,369
Supplies	34,350	34,350	49,783	(15,433)
Utilities	1,200	1,200	1,114	86
Fuel & Travel	5,000	5,000	5,032	(32)
Repairs & Miscellaneous	<u>1,400</u>	<u>1,400</u>	<u>2,348</u>	<u>(948)</u>
Total	\$ <u>168,975</u>	\$ <u>168,975</u>	\$ <u>181,933</u>	\$ <u>(12,958)</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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Municipal Buildings-				
Utilities	\$ 17,750	\$ 17,750	\$ 23,617	\$ (5,867)
Supplies	16,000	16,000	15,442	558
Repairs & Maintenance	45,550	45,550	48,861	(3,311)
Other	<u>13,750</u>	<u>13,750</u>	<u>11,462</u>	<u>2,288</u>
Total	\$ <u>93,050</u>	\$ <u>93,050</u>	\$ <u>99,382</u>	\$ <u>(6,332)</u>
General Accounts-				
Personnel Costs	\$ 510,178	\$ 510,178	\$ 416,273	\$ 93,905
Legal & Audit	73,500	73,500	42,517	30,983
Supplies	23,975	23,975	9,808	14,167
Municipal Utilities	104,800	64,800	10,023	54,777
Employee Benefits	138,770	138,770	90,794	47,976
Miscellaneous	<u>189,192</u>	<u>189,192</u>	<u>180,343</u>	<u>8,849</u>
Total	\$ <u>1,040,415</u>	\$ <u>1,000,415</u>	\$ <u>749,758</u>	\$ <u>250,657</u>
TOTAL GENERAL GOVERNMENT	\$ <u>3,128,111</u>	\$ <u>3,128,111</u>	\$ <u>2,949,543</u>	\$ <u>178,568</u>
PUBLIC SAFETY:				
Fire Department-				
Personnel Cost	\$ 3,129,744	\$ 3,129,744	\$ 3,071,213	\$ 58,531
Fuel & Oil	35,000	35,000	39,621	(4,621)
Maintenance	30,166	30,166	15,120	15,046
Supplies & Miscellaneous	66,826	66,826	78,064	(11,238)
Training & Travel	8,765	8,765	3,719	5,046
Uniforms	10,000	10,000	9,710	290
Utilities	26,000	26,000	37,162	(11,162)
Capital Expenditures	<u>0</u>	<u>0</u>	<u>26,827</u>	<u>(26,827)</u>
Total	\$ <u>3,306,501</u>	\$ <u>3,306,501</u>	\$ <u>3,281,436</u>	\$ <u>25,065</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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Police Department-				
Personnel Cost	\$ 4,074,350	\$ 4,074,350	\$ 4,109,450	\$ (35,100)
Fuel	184,000	184,000	185,811	(1,811)
Maintenance	43,000	42,700	29,535	13,165
Prisoner Maintenance	42,500	41,400	31,806	9,594
Utilities	85,500	85,500	78,999	6,501
Miscellaneous	42,550	43,950	47,509	(3,559)
Supplies & Uniforms	91,300	91,300	121,317	(30,017)
Office Expense	13,000	13,000	9,871	3,129
Marshal's Expense	159,138	159,138	157,497	1,641
Travel & Training	0	0	79	(79)
Capital Expenditures	0	0	20,000	(20,000)
Total	<u>\$ 4,735,338</u>	<u>\$ 4,735,338</u>	<u>\$ 4,791,874</u>	<u>\$ (56,536)</u>
TOTAL PUBLIC SAFETY	<u>\$ 8,041,839</u>	<u>\$ 8,041,839</u>	<u>\$ 8,073,310</u>	<u>\$ (31,471)</u>
STREETS & SANITATION:				
Personnel Cost	\$ 902,951	\$ 902,951	\$ 896,629	\$ 6,322
Street Materials	53,000	53,000	51,672	1,328
Maintenance	59,500	59,500	75,122	(15,622)
Fuel & Oil	85,000	85,000	93,301	(8,301)
Supplies & Miscellaneous	75,400	75,400	115,430	(40,030)
Garbage Disposal	34,000	29,000	15,531	13,469
Utilities	14,500	14,500	12,846	1,654
Uniforms	<u>5,000</u>	<u>10,000</u>	<u>4,519</u>	<u>5,481</u>
TOTAL STREETS & SANITATION	<u>\$ 1,229,351</u>	<u>\$ 1,229,351</u>	<u>\$ 1,265,050</u>	<u>\$ (35,699)</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, 2014

	<u>Budgeted Amounts</u>		<u>2014</u>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
HEALTH & WELFARE:				
Animal Shelter-				
Personnel Cost	\$ 121,980	\$ 121,980	\$ 113,639	\$ 8,341
Fuel & Maintenance	15,250	15,250	5,405	9,845
Supplies & Miscellaneous	21,200	21,200	19,920	1,280
Utilities	<u>14,000</u>	<u>14,000</u>	<u>8,130</u>	<u>5,870</u>
Total	\$ <u>172,430</u>	\$ <u>172,430</u>	\$ <u>147,094</u>	\$ <u>25,336</u>
Other Health & Welfare-				
Coroner's Expense	<u>69,000</u>	<u>69,000</u>	<u>62,058</u>	<u>6,942</u>
TOTAL HEALTH & WELFARE	\$ <u>241,430</u>	\$ <u>241,430</u>	\$ <u>209,152</u>	\$ <u>32,278</u>
RECREATION & CULTURE:				
MLK Recreation Center-				
Personnel Cost	\$ 35,527	\$ 35,527	\$ 37,042	\$ (1,515)
Telephone & Utilities	43,300	43,300	28,856	14,444
Supplies & Miscellaneous	25,275	25,275	54,416	(29,141)
Facility Maintenance	10,465	10,465	15,849	(5,384)
Capital Expenditures	<u>0</u>	<u>0</u>	<u>5,774</u>	<u>(5,774)</u>
Total	\$ <u>114,567</u>	\$ <u>114,567</u>	\$ <u>141,937</u>	\$ <u>(27,370)</u>
Recreation Department:				
Personnel Cost	\$ 492,576	\$ 492,576	\$ 499,931	\$ (7,355)
Repairs & Maintenance	82,600	82,600	48,167	34,433
Materials & Supplies	63,016	63,016	79,413	(16,397)
Services & Miscellaneous	39,515	39,515	44,615	(5,100)
Programs	12,000	12,000	0	12,000
Utilities	21,500	21,500	21,457	43
Capital Expenditures	<u>16,700</u>	<u>16,700</u>	<u>20,175</u>	<u>(3,475)</u>
Total	\$ <u>727,907</u>	\$ <u>727,907</u>	\$ <u>713,758</u>	\$ <u>14,149</u>
TOTAL RECREATION & CULTURE	\$ <u>842,474</u>	\$ <u>842,474</u>	\$ <u>855,695</u>	\$ <u>(13,221)</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, 2014

	<u>Budgeted Amounts</u>		2014 <u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
ECONOMIC DEVELOPMENT:				
Outside Appropriations	\$ 222,454	\$ 222,454	\$ 200,719	\$ 21,735
Promotional Expenditures	<u>65,000</u>	<u>65,000</u>	<u>57,490</u>	<u>7,510</u>
TOTAL ECONOMIC DEVELOPMENT	\$ <u>287,454</u>	\$ <u>287,454</u>	\$ <u>258,209</u>	\$ <u>29,245</u>
TOTAL EXPENDITURES	\$ <u>13,770,659</u>	\$ <u>13,770,659</u>	\$ <u>13,610,959</u>	\$ <u>159,700</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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds-				
Enterprise (Utility) Fund	\$3,967,489	\$3,967,489	\$ 3,967,489	\$ 0
Hazard Tax Fund	928,920	928,920	928,920	0
Sales Tax Police Fund	1,907,177	1,907,177	1,843,077	(64,100)
Workman's Comp. Fund	<u>0</u>	<u>0</u>	<u>95,315</u>	<u>95,315</u>
Total Transfers In	<u>\$6,803,586</u>	<u>\$6,803,586</u>	<u>\$ 6,834,801</u>	<u>\$ 31,215</u>
Transfers to Other Funds-				
Airport Grant Fund	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Miss Merry Christmas	(4,500)	(4,500)	(4,500)	0
Liability Insurance Fund	(200,000)	(200,000)	(250,000)	(50,000)
Event Center Operations	(275,000)	(275,000)	(275,000)	0
Employee Health Insurance	<u>0</u>	<u>0</u>	<u>(109,778)</u>	<u>(109,778)</u>
Total Transfers Out	<u>\$ (529,500)</u>	<u>\$ (529,500)</u>	<u>\$ (689,278)</u>	<u>\$(159,778)</u>
Sale of City Property	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 83</u>	<u>\$ (2,917)</u>
TOTAL OTHER FINANCING	<u>\$6,277,086</u>	<u>\$6,277,086</u>	<u>\$ 6,145,606</u>	<u>\$(131,480)</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, 2014

	<u>Budgeted Amounts</u>		<u>2014</u>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES:				
Taxes-				
Sales & Use Tax	\$ 3,680,000	\$ 3,680,000	\$ 3,741,483	\$ 61,483
Miscellaneous-				
Interest	160,000	160,000	122,846	(37,154)
Gain (Loss) on Investments	8,000	8,000	(59,202)	(67,202)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,262</u>	<u>(738)</u>
Total Revenues	\$ <u>3,850,000</u>	\$ <u>3,850,000</u>	\$ <u>3,806,389</u>	\$ <u>(43,611)</u>
EXPENDITURES:				
Current-				
General Government	\$ 235,000	\$ 235,000	\$ 188,852	\$ 46,148
Water & Sewer-				
Office & Supplies	0	0	773	(773)
Maintenance	245,000	245,000	33,687	211,313
Capital Expenditures	2,051,000	2,051,000	682,035	1,368,965
Debt Service-				
Principal	850,000	1,510,000	2,360,213	(850,213)
Interest	<u>183,000</u>	<u>183,000</u>	<u>62,534</u>	<u>120,466</u>
Total Expenditures	\$ <u>3,564,000</u>	\$ <u>4,224,000</u>	\$ <u>3,328,094</u>	\$ <u>895,906</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>1,108,000</u>	\$ <u>(374,000)</u>	\$ <u>478,295</u>	\$ <u>852,295</u>

Continued next page.

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, 2014

	<u>Budgeted Amounts</u>		<u>2014 Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES):				
Transfer to- Utility Fund	\$ (1,100,000)	\$ (1,900,000)	\$ (1,100,000)	\$ 800,000
Transfer from- Community Water Enrich.	<u>0</u>	<u>0</u>	<u>6,500</u>	<u>6,500</u>
Total Other Financing	\$ <u>(1,100,000)</u>	\$ <u>(1,900,000)</u>	\$ <u>(1,093,500)</u>	\$ <u>806,500</u>
Excess (Deficiency) of Revenues and Other Sources over Expen- ditures and Other Uses	\$ 8,000	\$ 2,274,000	\$ (615,205)	\$1,658,795
Fund Balance-Beginning of Year	<u>16,931,502</u>	<u>16,931,502</u>	<u>16,931,502</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>16,939,502</u>	\$ <u>14,657,502</u>	\$ <u>16,316,297</u>	\$ <u>1,658,795</u>

See notes to financial statements.

OTHER SUPPLEMENTAL SCHEDULES

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
May 31, 2014

	<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	\$139,429	\$ 200	\$454,712	\$ 16,331
Revenue Receivables	2,356	4,069	10,528	1,955
Due from Other Funds	0	0	0	0
Inventory	0	28,871	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$141,785</u>	<u>\$33,140</u>	<u>\$465,240</u>	<u>\$ 18,286</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 8,093	\$ 0	\$ 148,236
Accounts Payable	5,608	3,270	0	0
Accrued Expenses	0	0	0	0
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>4,695</u>	<u>2,136</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 10,303</u>	<u>\$13,499</u>	<u>\$ 0</u>	<u>\$ 148,236</u>
Fund Balances-				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	0	465,240	0
Committed	131,482	19,641	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>(129,950)</u>
Total Fund Balances	<u>\$131,482</u>	<u>\$19,641</u>	<u>\$465,240</u>	<u>\$(129,950)</u>
Total Liabilities & Fund Balances	<u>\$141,785</u>	<u>\$33,140</u>	<u>\$465,240</u>	<u>\$ 18,286</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
\$453,303	\$101,674	\$4,374	\$3,236	\$28,921	\$71,795	\$24,694
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>\$453,303</u>	<u>\$101,674</u>	<u>\$4,374</u>	<u>\$3,236</u>	<u>\$28,921</u>	<u>\$71,795</u>	<u>\$24,694</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,048	2,142	0	0	1,057	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>1,555</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 1,048</u>	<u>\$ 2,142</u>	<u>\$ 0</u>	<u>\$1,555</u>	<u>\$ 1,057</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	4,374	1,681	27,864	0	0
452,255	99,532	0	0	0	71,795	24,694
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$452,255</u>	<u>\$ 99,532</u>	<u>\$4,374</u>	<u>\$1,681</u>	<u>\$27,864</u>	<u>\$71,795</u>	<u>\$24,694</u>
<u>\$453,303</u>	<u>\$101,674</u>	<u>\$4,374</u>	<u>\$3,236</u>	<u>\$28,921</u>	<u>\$71,795</u>	<u>\$24,694</u>

Continued on next page.

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
May 31, 2014

	<u>Special Revenue Funds</u>			
	<u>Liability</u>	<u>Main Street</u>	<u>Cane River</u>	<u>LLEBG</u>
	<u>Insurance</u>	<u>Promotions</u>	<u>Green Market</u>	<u>Grant</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$643,244	\$58,517	\$7,922	\$5,890
Revenue Receivables	0	0	233	0
Due from Other Funds	0	0	0	0
Inventory	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>1,350</u>	<u>0</u>
Total Assets	<u>\$643,244</u>	<u>\$58,517</u>	<u>\$9,505</u>	<u>\$5,890</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	117	0	2,272	0
Accrued Expenses	0	1,000	0	0
Due to Other Funds	0	0	0	0
Accrued Payroll	<u>0</u>	<u>0</u>	<u>136</u>	<u>0</u>
Total Liabilities	<u>\$ 117</u>	<u>\$ 1,000</u>	<u>\$2,408</u>	<u>\$ 0</u>
Fund Balances-				
Nonspendable	\$ 0	\$ 0	\$1,350	\$ 0
Restricted	0	0	0	5,890
Committed	643,127	57,517	5,747	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$643,127</u>	<u>\$57,517</u>	<u>\$7,097</u>	<u>\$5,890</u>
Total Liabilities & Fund Balances	<u>\$643,244</u>	<u>\$58,517</u>	<u>\$9,505</u>	<u>\$5,890</u>

See notes to financial statements.

Special Revenue Funds						
911-Police Grant Fund	NW Law Enforcement Fund	Assistance to Firefighters FY '03 Fund	Knock-Knock Grant Fund	NHDDC Projects Fund	Economic Development Districts	State Office of Culture Development
\$41,321	\$2,562	\$0	\$ 35	\$ 0	\$ 0	\$6,983
0	0	0	0	3,067	56,797	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>366</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$41,687</u>	<u>\$2,562</u>	<u>\$0</u>	<u>\$ 35</u>	<u>\$3,067</u>	<u>\$ 56,797</u>	<u>\$6,983</u>
\$ 0	\$ 0	\$0	\$ 0	\$3,067	\$ 88,451	\$ 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>326</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 326</u>	<u>\$3,067</u>	<u>\$ 88,451</u>	<u>\$ 0</u>
\$ 366	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
41,321	2,562	0	0	0	0	6,983
<u>0</u>	<u>0</u>	<u>0</u>	<u>(291)</u>	<u>0</u>	<u>(31,654)</u>	<u>0</u>
<u>\$41,687</u>	<u>\$2,562</u>	<u>\$0</u>	<u>\$(291)</u>	<u>\$ 0</u>	<u>\$(31,654)</u>	<u>\$6,983</u>
<u>\$41,687</u>	<u>\$2,562</u>	<u>\$0</u>	<u>\$ 35</u>	<u>\$3,067</u>	<u>\$ 56,797</u>	<u>\$6,983</u>

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
May 31, 2014

	<u>Special Revenue Funds</u>			
	<u>Garbage Service Fund</u>	<u>Sales Tax Police Fund</u>	<u>Miss Merry Christmas Fund</u>	<u>Keep Louisiana Beautiful</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$ 0	\$415,559	\$293	\$ 807
Revenue Receivables	326,618	157,096	0	0
Due from Other Funds	0	0	0	0
Inventory	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 326,618</u>	<u>\$572,655</u>	<u>\$293</u>	<u>\$ 807</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 632,684	\$ 0	\$ 0	\$ 0
Accounts Payable	143,250	0	0	1,079
Accrued Expenses	0	66,788	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>\$ 775,934</u>	<u>\$ 66,788</u>	<u>\$ 0</u>	<u>\$1,079</u>
Fund Balances-				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	505,867	0	0
Committed	0	0	293	0
Unassigned	<u>(449,316)</u>	<u>0</u>	<u>0</u>	<u>(272)</u>
Total Fund Balances	<u>\$(449,316)</u>	<u>\$505,867</u>	<u>\$293</u>	<u>\$ (272)</u>
Total Liabilities & Fund Balances	<u>\$ 326,618</u>	<u>\$572,655</u>	<u>\$293</u>	<u>\$ 807</u>

See notes to financial statements.

<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>			
<u>Local Gov't Assistance Program</u>	<u>LAC/Traffic Enforcement Fund</u>	<u>Natchitoches Tri-Centennial Fund</u>	<u>Street Improvements Fund</u>	<u>Capital Improvements Fund</u>	<u>Utility Improvements Fund</u>	<u>DOTD Gateway Phase II Fund</u>
\$0	\$23,974	\$0	\$546,561	\$2,462,649	\$2,984,353	\$35,000
0	0	0	0	83,890	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>1,699</u>	<u>0</u>
<u>\$0</u>	<u>\$23,974</u>	<u>\$0</u>	<u>\$546,561</u>	<u>\$2,546,539</u>	<u>\$2,986,052</u>	<u>\$35,000</u>
\$0	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	3,936	0
0	251	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>\$ 251</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,936</u>	<u>\$ 0</u>
\$0	\$ 0	\$0	\$ 0	\$ 0	\$ 1,699	\$ 0
0	0	0	0	0	0	35,000
0	23,723	0	546,561	2,546,539	2,980,417	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>\$23,723</u>	<u>\$0</u>	<u>\$546,561</u>	<u>\$2,546,539</u>	<u>\$2,982,116</u>	<u>\$35,000</u>
<u>\$0</u>	<u>\$23,974</u>	<u>\$0</u>	<u>\$546,561</u>	<u>\$2,546,539</u>	<u>\$2,986,052</u>	<u>\$35,000</u>

City of Natchitoches, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 May 31, 2014

	<u>Capital Projects Funds</u>			
	<u>Water Treatment Plant Fund</u>	<u>Pilgrim's Industrial Park Fund</u>	<u>DOTD/LA 478 UT Relocation Fund</u>	<u>Airport Hangar Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$1,202,833	\$ 0	\$ 0	\$ 0
Revenue Receivables	197,356	0	0	492
Due from Other Funds	0	0	0	0
Inventory	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$1,400,189</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 492</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 24,034	\$ 6,229	\$ 140,838
Accounts Payable	0	0	0	0
Accrued Expenses	0	364,641	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>\$ 388,675</u>	<u>\$ 6,229</u>	<u>\$ 140,838</u>
Fund Balances-				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	1,400,189	0	0	0
Committed	0	0	0	0
Unassigned	<u>0</u>	<u>(388,675)</u>	<u>(6,229)</u>	<u>(140,346)</u>
Total Fund Balances	<u>\$1,400,189</u>	<u>\$(388,675)</u>	<u>\$(6,229)</u>	<u>\$(140,346)</u>
Total Liabilities & Fund Balances	<u>\$1,400,189</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 492</u>

See notes to financial statements.

Capital Projects Funds					Debt Service	
Airport Maintenance Projects Fund	Parking Lot Construction Fund	LCDBG Sibley Lake Fund	LED Site Development Fund	Community Water Enrichment	General Obligations Fund	Total
\$ 0	\$ 2,434	\$46,952	\$3,000	\$0	\$199,750	\$ 9,989,308
450,618	23,969	0	0	0	0	1,319,044
0	0	0	0	0	0	0
0	0	0	0	0	0	28,871
0	0	0	0	0	0	3,415
<u>\$ 450,618</u>	<u>\$26,403</u>	<u>\$46,952</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$199,750</u>	<u>\$11,340,638</u>
\$ 183,321	\$ 0	\$ 0	\$ 0	\$0	\$ 0	\$ 1,234,953
406,400	0	0	0	0	0	570,179
0	0	0	0	0	0	432,680
0	0	0	0	0	0	0
0	0	0	0	0	0	8,848
<u>\$ 589,721</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 2,246,660</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$ 0	\$ 3,415
0	0	46,952	0	0	0	2,493,057
0	26,403	0	3,000	0	199,750	7,883,342
(139,103)	0	0	0	0	0	(1,285,836)
<u>\$(139,103)</u>	<u>\$26,403</u>	<u>\$46,952</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$199,750</u>	<u>\$ 9,093,978</u>
<u>\$ 450,618</u>	<u>\$26,403</u>	<u>\$46,952</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$199,750</u>	<u>\$11,340,638</u>

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2014

	Special Revenue Funds			
	Event Center	Airport	Hazard	Employee
	Operations <u>Fund</u>	Fund	Tax <u>Fund</u>	Benefits <u>Fund</u>
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 1,195,200	\$ 0
Intergovernmental	0	10,500	0	0
Charges for Services	226,146	403,769	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>79,185</u>	<u>0</u>	<u>1,293</u>
Total Revenues	<u>\$ 226,146</u>	<u>\$ 493,454</u>	<u>\$ 1,195,200</u>	<u>\$ 1,293</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 288,927
Public Safety	0	0	50,300	0
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	459,197	514,245	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>\$ 459,197</u>	<u>\$ 514,245</u>	<u>\$ 137,511</u>	<u>\$ 288,927</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(233,051)</u>	<u>\$ (20,791)</u>	<u>\$ 1,057,689</u>	<u>\$(287,634)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 277,625	\$ 150,940	\$ 0	\$ 247,278
Operating Transfers Out	0	(2,563)	(936,363)	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 277,625</u>	<u>\$ 148,377</u>	<u>\$ (936,363)</u>	<u>\$ 247,278</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 44,574	\$ 127,586	\$ 121,326	\$ (40,356)
Fund Balances-Beginning of Year	<u>86,908</u>	<u>(107,946)</u>	<u>343,914</u>	<u>(89,594)</u>
Fund Balances-End of Year	<u>\$ 131,482</u>	<u>\$ 19,640</u>	<u>\$ 465,240</u>	<u>\$(129,950)</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	22,867	28,764	0	0	0
0	0	0	0	0	0	2,420
0	0	0	0	31,746	0	0
<u>185,116</u>	<u>129,822</u>	<u>0</u>	<u>0</u>	<u>1,795</u>	<u>130</u>	<u>0</u>
<u>\$ 185,116</u>	<u>\$129,822</u>	<u>\$22,867</u>	<u>\$28,764</u>	<u>\$33,541</u>	<u>\$ 130</u>	<u>\$ 2,420</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	50,432	24,227	27,890	33,927	4,111	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	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>\$ 50,432</u>	<u>\$24,227</u>	<u>\$27,890</u>	<u>\$33,927</u>	<u>\$ 4,111</u>	<u>\$ 0</u>
<u>\$ 185,116</u>	<u>\$ 79,390</u>	<u>\$ (1,360)</u>	<u>\$ 874</u>	<u>\$ (386)</u>	<u>\$ (3,981)</u>	<u>\$ 2,420</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(129,630)	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>\$(129,630)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 55,486	\$ 79,390	\$ (1,360)	\$ 874	\$ (386)	\$ (3,981)	\$ 2,420
<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>
<u>\$ 452,255</u>	<u>\$ 99,532</u>	<u>\$ 4,374</u>	<u>\$ 1,681</u>	<u>\$27,864</u>	<u>\$71,795</u>	<u>\$24,694</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, 2014

	Special Revenue Funds			
	Liability Insurance Fund	Main Street Promotions Fund	Cane River Green Market Fund	LLEBG Grant Fund
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	6,500	12,194	3,020
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>5,587</u>	<u>32,515</u>	<u>5,821</u>	<u>0</u>
Total Revenues	<u>\$ 5,587</u>	<u>\$39,015</u>	<u>\$18,015</u>	<u>\$ 3,020</u>
EXPENDITURES:				
Current-				
General Government	\$ 771,435	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	11,143
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	0	0	17,546	0
Recreation & Culture	0	21,264	0	0
Health & Welfare	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 771,435</u>	<u>\$21,264</u>	<u>\$17,546</u>	<u>\$11,143</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(765,848)</u>	<u>\$17,751</u>	<u>\$ 469</u>	<u>\$(8,123)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 732,000	\$ 0	\$ 0	\$ 8,123
Operating Transfers Out	(100,000)	0	0	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$632,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,123</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$(133,848)</u>	<u>\$17,751</u>	<u>\$ 469</u>	<u>\$ 0</u>
Fund Balances-Beginning of Year	<u>776,975</u>	<u>39,766</u>	<u>6,628</u>	<u>5,890</u>
Fund Balances-End of Year	<u>\$ 643,127</u>	<u>\$57,517</u>	<u>\$ 7,097</u>	<u>\$ 5,890</u>

See notes to financial statements.

Special Revenue Funds

911-Police Grant Fund	NW Law Enforcement Fund	Assistance to Firefighters FY '03 Fund	Knock-Knock Grant Fund	NHDDC Projects Fund	Economic Development Districts	State Office of Culture Development
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 169,084	\$ 0
22,000	0	0	7,694	17,548	78,537	925
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>355</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$22,355</u>	<u>\$3,000</u>	<u>\$ 0</u>	<u>\$ 7,694</u>	<u>\$17,548</u>	<u>\$ 247,621</u>	<u>\$ 925</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
21,425	1,568	15,579	13,753	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	11,798	98,716	4,775
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>\$21,425</u>	<u>\$1,568</u>	<u>\$ 15,579</u>	<u>\$13,753</u>	<u>\$11,798</u>	<u>\$ 98,716</u>	<u>\$ 4,775</u>
\$ <u>930</u>	\$ <u>1,432</u>	\$ <u>(15,579)</u>	\$ <u>(6,059)</u>	\$ <u>5,750</u>	\$ <u>148,905</u>	\$ <u>(3,850)</u>
\$ 0	\$ 0	\$ 2,270	\$ 5,980	\$ 4,082	\$ 0	\$ 0
(8,123)	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>\$ (8,123)</u>	<u>\$ 0</u>	<u>\$ 2,270</u>	<u>\$ 5,980</u>	<u>\$ 4,082</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ (7,193)	\$ 1,432	\$ (13,309)	\$ (79)	\$ 9,832	\$ 148,905	\$ (3,850)
<u>48,880</u>	<u>1,130</u>	<u>13,309</u>	<u>(212)</u>	<u>(9,832)</u>	<u>(180,559)</u>	<u>10,833</u>
<u>\$41,687</u>	<u>\$2,562</u>	<u>\$ 0</u>	<u>\$ (291)</u>	<u>\$ 0</u>	<u>\$ (31,654)</u>	<u>\$ 6,983</u>

City of Natchitoches, Louisiana
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended May 31, 2014

	Special Revenue Funds			
	Garbage Service Fund	Sales Tax Police Fund	Miss Merry Christmas Fund	Keep Louisiana Beautiful
REVENUES:				
Taxes	\$ 0	\$ 1,870,741	\$ 0	\$ 0
Intergovernmental	0	0	0	4,944
Charges for Services	1,974,586	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>2,600</u>	<u>255,842</u>	<u>4,779</u>	<u>0</u>
Total Revenues	<u>\$1,977,186</u>	<u>\$ 2,126,583</u>	<u>\$ 4,779</u>	<u>\$ 4,944</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	468,292	0	0
Streets & Sanitation	2,056,652	0	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	0	0	0	8,302
Recreation & Culture	0	0	9,979	0
Health & Welfare	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$2,056,652</u>	<u>\$ 468,292</u>	<u>\$ 9,979</u>	<u>\$ 8,302</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (79,466)</u>	<u>\$ 1,658,291</u>	<u>\$(5,200)</u>	<u>\$(3,358)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 100,000	\$ 0	\$ 4,500	\$ 0
Operating Transfers Out	0	(1,849,057)	0	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 100,000</u>	<u>\$(1,849,057)</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 20,534	\$ (190,766)	\$ (700)	\$(3,358)
Fund Balances-Beginning of Year	<u>(469,850)</u>	<u>696,633</u>	<u>993</u>	<u>3,086</u>
Fund Balances-End of Year	<u>\$ (449,316)</u>	<u>\$ 505,867</u>	<u>\$ 293</u>	<u>\$ (272)</u>

See notes to financial statements.

Special Revenue Funds			Capital Projects Funds			
Local Gov't Assistance Program	LAC/Traffic Enforcement Fund	Natchitoches Tri-Centennial Fund	Street Improvements Fund	Capital Improvements Fund	Utility Improvements Fund	DOTD Gateway Phase II Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 473,280	\$ 0	\$ 0
3,873	0	10,000	0	0	0	0
0	0	0	0	0	573,515	0
0	49,550	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,058</u>	<u>0</u>
\$ <u>3,873</u>	\$ <u>49,550</u>	\$ <u>10,000</u>	\$ <u>0</u>	\$ <u>473,280</u>	\$ <u>581,573</u>	\$ <u>0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,885	\$ 0
4,680	36,448	0	0	0	0	0
0	0	0	149,076	0	0	0
0	0	0	0	0	207,239	0
0	0	10,550	0	512,009	0	1,497
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>42,818</u>	<u>0</u>	<u>0</u>
\$ <u>4,680</u>	\$ <u>36,448</u>	\$ <u>10,550</u>	\$ <u>149,076</u>	\$ <u>554,827</u>	\$ <u>278,124</u>	\$ <u>1,497</u>
\$ <u>(807)</u>	\$ <u>13,102</u>	\$ <u>(550)</u>	\$ <u>(149,076)</u>	\$ <u>(81,547)</u>	\$ <u>303,449</u>	\$ <u>(1,497)</u>
\$ 5,173	\$ 0	\$ 0	\$ 300,000	\$ 800,000	\$ 600,000	\$ 0
0	0	0	(113,500)	(9,082)	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>5,173</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>186,500</u>	\$ <u>790,918</u>	\$ <u>600,000</u>	\$ <u>0</u>
\$ 4,366	\$ 13,102	\$ (550)	\$ 37,424	\$ 709,371	\$ 903,449	\$ (1,497)
<u>(4,366)</u>	<u>10,621</u>	<u>550</u>	<u>509,137</u>	<u>1,837,168</u>	<u>2,078,667</u>	<u>36,497</u>
\$ <u>0</u>	\$ <u>23,723</u>	\$ <u>0</u>	\$ <u>546,561</u>	\$ <u>2,546,539</u>	\$ <u>2,982,116</u>	\$ <u>35,000</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, 2014

	Capital Projects Funds			
	Water Treatment Plant Fund	Pilgrim's Industrial Park Fund	DOTD/LA 478 UT Relocation Fund	Airport Hangar Fund
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	46,123	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>2,029</u>	<u>60,773</u>	<u>0</u>	<u>10,169</u>
Total Revenues	\$ <u>2,029</u>	\$ <u>60,773</u>	\$ <u>46,123</u>	\$ <u>10,169</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	787,567	0	52,218	0
Economic Development	0	0	0	0
Recreation & Culture	0	0	0	0
Health & Welfare	0	0	0	0
Debt Service	<u>241,984</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>1,029,551</u>	\$ <u>0</u>	\$ <u>52,218</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(1,027,522)</u>	\$ <u>60,773</u>	\$ <u>(6,095)</u>	\$ <u>10,169</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 241,984	\$ 5,000	\$ 0	\$ 0
Operating Transfers Out	0	0	0	0
Debt Proceeds	<u>700,966</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	\$ <u>942,950</u>	\$ <u>5,000</u>	\$ <u>0</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (84,572)	\$ 65,773	\$ (6,095)	\$ 10,169
Fund Balances-Beginning of Year	<u>1,484,761</u>	<u>(454,448)</u>	<u>(134)</u>	<u>(150,515)</u>
Fund Balances-End of Year	\$ <u>1,400,189</u>	\$ <u>(388,675)</u>	\$ <u>(6,229)</u>	\$ <u>(140,346)</u>

See notes to financial statements.

Capital Projects Funds					Debt Service	
Airport Maintenance Projects Fund	Parking Lot Construction Fund	LCDBG Sibley Lake Fund	LED Site Development Fund	Community Water Enrichment	General Obligations Fund	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,708,305
1,460,725	0	0	5,000	47,051	0	1,788,265
0	0	0	0	0	0	3,180,436
0	0	0	0	0	0	81,296
0	0	0	0	0	0	788,869
<u>\$1,460,725</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$5,000</u>	<u>\$ 47,051</u>	<u>\$ 0</u>	<u>\$ 9,547,171</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,131,247
0	0	0	0	0	0	763,775
0	0	0	0	0	0	2,205,728
0	0	66,548	0	0	0	1,113,572
1,589,776	0	0	2,000	0	0	3,230,411
0	0	0	0	0	0	31,243
0	0	0	0	0	0	0
0	0	0	0	0	179,012	551,025
<u>\$1,589,776</u>	<u>\$ 0</u>	<u>\$ 66,548</u>	<u>\$2,000</u>	<u>\$ 0</u>	<u>\$ 179,012</u>	<u>\$ 9,027,001</u>
\$ (129,051)	\$ 0	\$ (66,548)	\$3,000	\$ 47,051	\$(179,012)	\$ 520,170
\$ 2,563	\$ 0	\$113,500	\$ 0	\$ 0	\$ 378,763	\$ 3,979,781
0	0	0	0	(47,051)	0	(3,195,369)
0	0	0	0	0	0	700,966
<u>\$ 2,563</u>	<u>\$ 0</u>	<u>\$113,500</u>	<u>\$ 0</u>	<u>\$(47,051)</u>	<u>\$ 378,763</u>	<u>\$ 1,485,378</u>
\$ (126,488)	\$ 0	\$ 46,952	\$3,000	\$ 0	\$ 199,751	\$ 2,005,548
(12,615)	26,403	0	0	0	0	7,088,430
<u>\$ (139,103)</u>	<u>\$26,403</u>	<u>\$ 46,952</u>	<u>\$3,000</u>	<u>\$ 0</u>	<u>\$ 199,751</u>	<u>\$ 9,093,978</u>

Continued on next page.

OTHER REPORTS

Johnson, Thomas & Cunningham

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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, 2014, 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 14, 2014.

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

Johnson, Thomas & Cunningham, CPA's

October 14, 2014
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-143

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-143 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, 2014. 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-143, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-143 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, 2014.

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-143, 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-143. Accordingly, this report is not suitable for any other purpose.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

October 14, 2014
Natchitoches, Louisiana

City of Natchitoches, Louisiana
Schedule of Audit Findings and Questioned Costs
Year Ended May 31, 2014

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, 2014.
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-143.
7. The following programs were major for the year ended May 31, 2014:
 - Drinking Water State Revolving Funds - CFDA # 66.468
 - Airport Layout Plan - CFDA # 20.106
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, 2014

<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	\$ 827,326	\$ 827,326
Louisiana Department of Administration:				
LCDBG				
	14.228	-	66,140	66,140
U.S. Department of Justice:				
Passed through La. Department of Public Safety-				
Byrne Formula Grant Program-				
STOP Grant	20.205/20.600/20.601	2013-30-23	17,336	17,336
STOP Grant	20.205/20.600/20.601	2014-30-44	11,428	11,428
U.S. Department of Justice:				
Passed through La. Commission on				
Law Enforcement and Administration-				
Knock-Knock Grant	16.588	M11-1-006	7,694	7,694
Multi-Drug Task Force	16.738	B11-1-007	22,867	22,867
U.S. Department of Environmental Protection:				
Passed through La. Department				
of Health & Hospitals-				
Drinking Water State Revolving Fund	66.468	-	<u>700,966</u>	<u>700,966</u>
TOTALS			<u>\$1,653,757</u>	<u>\$1,653,757</u>

City of Natchitoches, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
Year Ended May 31, 2014

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-143, *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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