

**VILLAGE OF NATCHEZ  
ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**

Village of Natchez  
Financial Report  
June 30, 2017

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# Johnson, Thomas & Cunningham

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### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Mayor and Board of Aldermen  
Village of Natchez  
P. O. Box 229  
Natchez, LA 71456

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities and the major fund of the Village of Natchez, State of Louisiana, as of and for the year ended June 30, 2017, and related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### Management's Responsibility for the Financial Statements

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

#### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter Paragraphs**

### *Supplementary Information*

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, as listed in the Table of Contents, be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

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

### *Other Reporting Requirements*

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated November 21, 2017, on the results of our agreed-upon procedures on page 30 through 32 and pages 33 through 34 present the Louisiana Attestation Questionnaire.

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

November 21, 2017  
Natchitoches, LA 71457

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Village of Natchez  
Statement of Net Position  
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Current Assets-			
Cash & Cash Equivalents	\$ 8,651	\$ 75,457	\$ 84,108
Accounts Receivable (net)	0	10,488	10,488
Deposits	<u>50</u>	<u>0</u>	<u>50</u>
Total Current Assets	\$ 8,701	\$ 85,945	\$ 94,646
Noncurrent Assets-			
Capital Assets (net)	<u>23,440</u>	<u>901,761</u>	<u>925,201</u>
Total Assets	\$ <u>32,141</u>	\$ <u>987,706</u>	\$ <u>1,019,847</u>
LIABILITIES:			
Current Liabilities-			
Accounts Payable	\$ <u>23,299</u>	\$ <u>27,282</u>	\$ <u>50,581</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 23,440	\$901,761	\$ 925,201
Unrestricted (Deficit)	<u>(14,598)</u>	<u>58,663</u>	<u>44,065</u>
Total Net Position	\$ <u>8,842</u>	\$ <u>960,424</u>	\$ <u>969,266</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Statement of Activities  
June 30, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 83,676	\$ 5,133	\$ 7,429	\$ 0	\$(71,114)	\$ 0	\$(71,114)
Public Safety	<u>648</u>	<u>18,954</u>	<u>0</u>	<u>0</u>	<u>18,306</u>	<u>0</u>	<u>18,306</u>
	\$ 84,324	\$24,087	\$ 7,429	\$ 0	\$(52,808)	\$ 0	\$(52,808)
Business-Type Activities:							
Sewer	<u>98,051</u>	<u>52,439</u>	<u>97,667</u>	<u>50,243</u>	<u>0</u>	<u>102,298</u>	<u>102,298</u>
Total Government	<u>\$182,375</u>	<u>\$76,526</u>	<u>\$105,096</u>	<u>\$50,243</u>	<u>\$(52,808)</u>	<u>\$102,298</u>	<u>\$ 49,490</u>
General Revenues:							
					\$ 41,081	\$ 0	\$ 41,081
					1	39	40
					46	300	346
					<u>9,171</u>	<u>(9,171)</u>	<u>0</u>
					<u>\$ 50,299</u>	<u>\$ (8,832)</u>	<u>\$ 41,467</u>
					\$ (2,509)	\$ 93,466	\$ 90,957
					<u>11,351</u>	<u>866,958</u>	<u>878,309</u>
					<u>\$ 8,842</u>	<u>\$960,424</u>	<u>\$969,266</u>

See accompanying notes and independent accountant's review report.

## FUND FINANCIAL STATEMENTS

Village of Natchez  
Balance Sheet-Governmental Fund  
June 30, 2017

	<u>General Fund</u>
ASSETS:	
Cash & Cash Equivalents	\$ 8,651
Deposits	<u>50</u>
Total Assets	<u>\$ 8,701</u>
LIABILITIES:	
Accounts Payable	\$ 23,299
FUND BALANCE:	
Unassigned (Deficit)	<u>(14,598)</u>
Total Liabilities and Fund Balance	<u>\$ 8,701</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2017

Total Fund Balance for the Governmental Fund at June 30, 2017	\$(14,598)
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles	83,681
Less: Accumulated Depreciation	<u>(60,241)</u>
Total Net Position of Governmental Activities at June 30, 2017	\$ <u>8,842</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Taxes	\$ 41,081
Licenses and Permits	2,579
Intergovernmental	7,429
Charges for Services	2,554
Fines & Forfeits	18,954
Interest Income	1
Miscellaneous	<u>46</u>
Total Revenues	<u>\$ 72,644</u>
Expenditures:	
Current-	
General Government	\$ 80,593
Public Safety	<u>648</u>
Total Expenditures	<u>\$ 81,241</u>
Deficiency of Revenues over Expenditures	<u>\$ (8,597)</u>
Other Financing Sources:	
Transfers from Sewer Fund	\$ 9,171
Excess of Revenues and Other Sources over Expenditures	574
Fund Balance-Beginning of Year	<u>(15,172)</u>
Fund Balance-End of Year	<u>\$(14,598)</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2017

Total Net Change in Fund Balance at June 30, 2017, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 574
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Depreciation Expense is reported in the government- wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expen- diture in the governmental funds. Current year depreciation expense is	<u>(3,083)</u>
Total changes in Net Position at June 30, 2017, per Statement of Activities	<u>\$(2,509)</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Statement of Net Position  
Proprietary Fund  
Year Ended June 30, 2017

ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$ 75,457
Accounts Receivable (Net)	<u>10,488</u>
Total Current Assets	\$ <u>85,945</u>
Noncurrent Assets:	
Capital Assets-	
Land and Construction in Progress	\$ 59,439
Other Capital Assets, net of depreciation	<u>842,322</u>
Total Noncurrent Assets	<u>\$901,761</u>
Total Assets	<u>\$987,706</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	<u>\$ 27,282</u>
NET POSITION:	
Net Investment in Capital Assets	\$901,761
Unrestricted	<u>58,663</u>
Total Net Position	<u>\$960,424</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2017

OPERATING REVENUES:	
Charges for Services	\$ <u>52,739</u>
OPERATING EXPENSES:	
Depreciation	\$ 38,719
Contract Labor	28,819
Repairs & Maintenance	4,969
Supplies	3,101
Other	<u>22,443</u>
Total Operating Expenses	\$ <u>98,051</u>
Operating (Loss)	\$ <u>(45,312)</u>
NON-OPERATING REVENUES:	
Interest Income	\$ 39
Operating Grants	97,667
Capital Grants	<u>50,243</u>
Total Non-Operating Revenues	\$ <u>147,949</u>
Income Before Transfers	\$102,637
TRANSFERS	
Transfer Out	<u>(9,171)</u>
Change in Net Position	\$ 93,466
Net Position - Beginning of Year	<u>866,958</u>
Net Position - End of Year	<u>\$960,424</u>

See accompanying notes and independent accountant's review report.

Village of Natchez  
Statement of Cash Flows  
Proprietary Fund  
June 30, 2017

	<u>Business Type Activities</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 46,908
Cash paid to suppliers	(29,858)
Cash paid to contractors	<u>(28,819)</u>
Net Cash Used by Operating Activities	\$ <u>(11,769)</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer to General Fund	\$ <u>(9,171)</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Capital Grants	\$147,910
Acquisition of Capital Assets	<u>(51,713)</u>
Net Cash Provided by Capital and Related Financing Activities	\$ <u>96,197</u>
Cash Flows from Investing Activities:	
Interest Income	\$ <u>39</u>
Net Increase in Cash and Cash Equivalents	\$ 75,296
Cash and Cash Equivalents at Beginning of Year	<u>161</u>
Cash and Cash Equivalents at End of Year	\$ <u>75,457</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income (Loss) from Operations	\$ (45,312)
ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	\$ 38,719
Changes in Assets and Liabilities-	
(Increase) Decrease in Net Accounts Receivable	(5,831)
Increase (Decrease) in Accounts Payable	<u>655</u>
Net Cash Used by Operating Activities	\$ <u>(11,769)</u>

See accompanying notes and independent accountant's review report.

## NOTES TO FINANCIAL STATEMENTS

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

Introduction:

The Village of Natchez, Louisiana was incorporated under the provisions of the Lawrason Act. The Village operates under an elected Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police), streets, sanitation, utilities and general administrative services.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village's reporting entity.

The financial statements of the Village of Natchez are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Natchez's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

C. FUND ACCOUNTING-

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Village maintains two funds, one as a governmental fund and one proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Village are described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund-

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

(b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise fund is the Sewer Fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand and savings accounts, and certificates of deposit.

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column 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 Village maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-11 years
Utility system and improvements	10-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. COMPENSATED ABSENCES-

The vested or accumulated vacation leave of the Village's employees has not been recorded. The amount of accumulated benefits in excess of one year's normal amount would be immaterial. Unused vacation time lapses at the end of each calendar year.

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

H. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

- 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 resources are available, the Village applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Village at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Non-spendable 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.

The General Fund has an unassigned deficit fund balance of \$14,598. If applicable, the Village 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.

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

I. 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 statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

J. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing noncapital financing, or investing activities.

K. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

L. BUDGET-

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

M. INVENTORIES-

Purchases of various operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

N. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES-

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

O. BAD DEBTS AND ALLOWANCES-

Allowance for uncollectible amounts due for customers' utility receivables are recognized as doubtful accounts at the time they become more than 90 days old. At June 30, 2017, there was an Allowance for Doubtful Accounts totaling \$23,951.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Village of Natchez are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 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 Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

At June 30, 2017, the Village had \$85,699 in deposits (collected bank balances). These deposits were secured from risk by federal deposit insurance.

3. Property Taxes:

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

Village property tax revenues are recognized when levied and are recorded as current receivables.

The property tax calendar is as follows:

Assessment Date	January 1
Levy Date	June 1
Tax Bills Mailed	November 15
Total Taxes are Due	December 31
Penalties and Interest are added	January 1
Lien Date	No Set Policy
Tax Sale	No Set Policy

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy year. Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following percent of fair market value:

Land	10%
Residential	10%
Industrial	15%
Machinery	15%
Commercial	15%
Public Service (excluding land)	25%

A revaluation of all property is required to be completed no less than every four years. A revaluation was completed for the tax roll of January 1, 2016.

Tax collections for the year were \$3,668.

4. Capital Assets:

Capital asset activity for the year ended June 30, 2017, is as follows:

Governmental Activities	Balance <u>07-01-16</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-17</u>
Capital Assets Not Depreciated:				
Land	\$ 1,600	\$ 0	\$ 0	\$ 1,600
Capital Assets Depreciated:				
Office Furniture, Fixtures & Equipment	58,714	0	0	58,714
Vehicles	<u>42,462</u>	<u>0</u>	<u>19,095</u>	<u>23,367</u>
Total Costs	<u>\$102,776</u>	<u>\$ 0</u>	<u>\$19,095</u>	<u>\$83,681</u>
Less, Accumulated Depreciation:				
Office Furniture, Fixtures & Equipment	\$ 33,791	\$ 3,083	\$ 0	\$36,874
Vehicles	<u>42,462</u>	<u>0</u>	<u>19,095</u>	<u>23,367</u>
Total Accumulated Depreciation	<u>\$ 76,253</u>	<u>\$ 3,083</u>	<u>\$19,095</u>	<u>\$60,241</u>
Net Capital Assets	<u>\$ 26,523</u>	<u>\$(3,083)</u>	<u>\$ 0</u>	<u>\$23,440</u>

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

<u>Business-Type Activities</u>	<u>Balance 07-01-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-17</u>
Capital Assets Not Depreciated:				
Land	\$ 9,196	\$ 0	\$0	\$ 9,196
Construction in Progress	0	50,243	0	50,243
Capital Assets Depreciated:				
Sewer System	<u>1,909,212</u>	<u>6,545</u>	<u>0</u>	<u>1,915,757</u>
Total Costs	<u>\$1,918,408</u>	<u>\$56,788</u>	<u>\$0</u>	<u>\$1,975,196</u>
Less, Accumulated Depreciation:				
Sewer System	<u>\$1,034,716</u>	<u>\$38,719</u>	<u>\$0</u>	<u>\$1,073,435</u>
Net Capital Assets	<u>\$ 883,692</u>	<u>\$18,069</u>	<u>\$0</u>	<u>\$ 901,761</u>

Depreciation expense of \$3,083 was charged to the general government function, and \$38,719 was charged to the business-type activities.

5. Compensation Paid to the Mayor and Board of Aldermen:

During 2017, the following amounts were paid to the Mayor and Board of Aldermen:

Rosia Humphrey-Mayor	\$ 4,850
Amos Bradley	1,732
Sheila Johnson	2,350
Joe Walker	<u>2,400</u>
Total	<u>\$11,332</u>

6. Receivables:

The following is a summary of receivables at June 30, 2017:

<u>Class of Receivable</u>	<u>Proprietary Fund</u>
Sewer Sales	<u>\$10,488</u>

7. Interfund Transactions:

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental funds. The following is a summary of interfund operating transfers:

Village of Natchez  
Notes to Financial Statements  
June 30, 2017

Transfers are primarily used to move operation monies to and from various funds.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Utility Fund	\$9,171

8. Sales Tax Revenue:

The voters of Natchez passed a one percent (1%) sales and use tax. The proceeds of the sales tax are to be used for any lawful corporate purpose. Collections for the year ended June 30, 2017, were \$20,814, and were used for General Fund operations.

9. Fund Deficits:

For the year ended June 30, 2017, the General Fund had a deficit fund balance of \$14,598. The Village will institute procedures to reduce this deficit in fiscal year ending June 30, 2018.

10. Subsequent Events:

Management has evaluated events through November 21, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTAL INFORMATION

Village of Natchez  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 45,000	\$ 40,000	\$ 41,081	\$ 1,081
Licenses and Permits	2,050	3,000	2,579	(421)
Intergovernmental	7,500	7,500	7,429	(71)
Charges for Services	35,200	17,500	18,954	1,454
Rental Income	1,500	2,000	2,554	554
Miscellaneous	<u>100</u>	<u>500</u>	<u>47</u>	<u>(453)</u>
Total Revenues	<u>\$ 91,350</u>	<u>\$ 70,500</u>	<u>\$ 72,644</u>	<u>\$ 2,144</u>
EXPENDITURES:				
Current-				
General Government	\$ 90,350	\$ 81,000	\$ 80,593	\$ 407
Public Safety	<u>1,000</u>	<u>1,000</u>	<u>648</u>	<u>352</u>
Total Expenditures	<u>\$ 91,350</u>	<u>\$ 82,000</u>	<u>\$ 81,241</u>	<u>\$ 759</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$(11,500)	\$ (8,597)	\$ 2,903
OTHER REVENUES AND (EXPENSES)				
Transfer from Sewer Fund	<u>0</u>	<u>11,500</u>	<u>9,171</u>	<u>(2,329)</u>
Excess (Deficiency) of Revenues and Other Revenues over Expenditures	\$ 0	\$ 0	\$ 574	\$ 574
Fund Balance-Beginning of Year	<u>(15,172)</u>	<u>(15,172)</u>	<u>(15,172)</u>	<u>0</u>
Fund Balance-End of Year	<u>\$(15,172)</u>	<u>\$(15,172)</u>	<u>\$(14,598)</u>	<u>\$ 574</u>

See independent accountant's review report.

Village of Natchez  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2017

Agency Head Name: Rosia Humphrey, Mayor

<u>Purpose</u>	<u>Amount</u>
Per Diem	\$ 4,850
Reimbursements	2,580
Travel	3,430

See independent accountant's review report.

SUPPLEMENTAL INFORMATION

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation  
Roger M. Cunningham, CPA - A Professional Corporation  
Jessica H. Broadway, CPA - A Professional Corporation  
Ryan E. Todtenbier, CPA - A Professional Corporation

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(318) 352-3652  
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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Natchitoches Parish Fire  
Protection District No. 10  
P. O. Box 164  
Powhatan, LA 71066

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Natchez and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Natchez's compliance with certain laws and regulations during the year ended June 30, 2017, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures found to be in violation.

#### CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1524 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

Not applicable.

#### BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amendment.

6. Trace the budget and amendment adoption to the minute book.

We traced the adoption of the budget and amendment to the minutes of the Village.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Both actual revenues and actual expenditures were within the 5% variance allowed.

#### ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six disbursements and found that the payments were for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval.

#### MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Management has asserted that such documents were properly posted.

## DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

## ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

Not applicable.

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

We noted that the Village has not been in full compliance with LA Revised Statutes regarding Budget preparation in prior years this matter was corrected for this reporting period.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Natchez and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

November 21, 2017  
Natchitoches, Louisiana

VILLAGE OF NATCHEZ  
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's  
321 Bienville Street  
Natchitoches, LA 71457

In connection with your review of our financial statements as of June 30, 2017, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 2017.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with R.S. 24:514, and 23:463, where applicable.

Yes  No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief financial officer.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Signed by and title

*Mayer Rasia D. Amshy*