

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

**MAY 31, 2019**

City of Natchitoches, Louisiana  
Annual Financial Report  
May 31, 2019

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management’s Discussion and Analysis	-	1-7
Independent Auditor’s Report	-	8-10
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements		
Statement of Net Position	A	13
Statement of Activities	B	14
Fund Financial Statements		
Governmental Funds:		
Balance Sheet-Governmental Funds	C	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	17
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	E	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	F	19
Proprietary Funds:		
Statement of Net Position	G	20-21
Statement of Revenues, Expenses and Changes in Net Position	H	22-23
Statement of Cash Flows	I	24-25
Agency Fund:		
Statement of Fiduciary Net Position	J	26
Notes to Financial Statements	-	28-68

City of Natchitoches, Louisiana  
Annual Financial Report  
May 31, 2019

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Other Required Supplementary Information		
Major Funds:		
General Fund-		
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual	K	70
Schedule of Employer’s Share of Net Pension Liability	L	71
Schedule of Employer Contributions	M	72
Schedule of Changes in Net OPEB Liability and Related Ratios	N	73
Schedule of Compensation, Benefits, and Other Payments to Agency Heads	O	74
Other Supplementary Information		
Non-Major Governmental Funds:		
Combining Balance Sheet	P-1	76-80
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	P-2	81-85
Other Reports/Schedules		
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 <i>Government Auditing Standards</i>	Q	87-88
Schedule of Audit Results	R	89
Independent Accountant’s Report on Applying Statewide Agreed- Upon Procedures	S	90-96

# CITY OF NATCHITOCHEs

*Oldest Settlement in the Louisiana Purchase*

---

## FINANCE DEPARTMENT

### 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, 2019. 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 \$101,894,471 (net position). Of this amount, \$1,754,441 (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 \$21,727,980. Of this total amount, \$21,094,515 is committed 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 \$2,264,439 or 14% of the total general fund expenditures.
- The City's bond and notes payable totaled \$20,616,138.

#### **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 NATCHITOCHE, LOUISIANA

### Management's Discussion and Analysis For Year Ended May 31, 2019

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 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 58 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, capital projects sales tax, capital projects streets, utility improvements, and sports complex construction 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 16 through 19.

## CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis  
For Year Ended May 31, 2019

**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 68.

### 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 \$101,894,471 as of May 31, 2019, which is a decrease from May 31, 2018.

The largest portion of the City's net position (92%) 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 services 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, 2019			As of May 31, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$31,904,279	\$15,285,230	\$ 47,189,509	\$37,102,212	\$17,059,078	\$ 54,161,290
Capital assets	<u>52,637,192</u>	<u>62,504,429</u>	<u>115,141,621</u>	<u>46,309,844</u>	<u>59,363,980</u>	<u>105,673,824</u>
Total Assets	<u>\$84,541,741</u>	<u>\$77,789,659</u>	<u>\$162,331,130</u>	<u>\$83,412,056</u>	<u>\$76,423,058</u>	<u>\$159,835,114</u>
Deferred outflows of resources	\$ 5,485,536	\$ 1,994,908	\$ 7,480,444	\$ 4,767,807	\$ 1,732,621	\$ 6,500,428
Long term liabilities	\$45,162,627	\$ 9,063,941	\$ 54,226,568	\$40,765,922	\$ 6,957,662	\$ 47,723,584
Other liabilities	<u>10,472,648</u>	<u>1,378,408</u>	<u>11,851,056</u>	<u>3,285,710</u>	<u>1,313,828</u>	<u>4,599,538</u>
Total Liabilities	<u>\$55,635,275</u>	<u>\$10,442,349</u>	<u>\$ 66,077,624</u>	<u>\$44,051,632</u>	<u>\$ 8,271,490</u>	<u>\$ 52,323,122</u>
Deferred inflows of Resources	\$ 1,488,263	\$ 351,216	\$ 1,839,479	\$ 1,306,782	\$ 436,559	\$ 1,743,341

# CITY OF NATCHITOCHEs, LOUISIANA

## Management's Discussion and Analysis For Year Ended May 31, 2019

### City of Natchitoches' Net Position (continued)

#### City of Natchitoches' Net Position

	As of May 31, 2019			As of May 31, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Net Position:						
Net investment in capital assets	\$32,391,054	\$62,134,429	\$ 94,525,483	\$27,457,638	\$58,823,980	\$ 86,281,618
Restricted	0	5,614,547	5,614,547	0	7,358,928	7,358,928
Unrestricted	<u>512,415</u>	<u>1,242,026</u>	<u>1,754,441</u>	<u>15,363,811</u>	<u>3,264,722</u>	<u>18,628,533</u>
Total Net Position	<u>\$32,903,469</u>	<u>\$68,991,002</u>	<u>\$101,894,471</u>	<u>\$42,821,449</u>	<u>\$69,447,630</u>	<u>\$112,269,079</u>

An additional portion of the City's net position (15%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$1,754,441 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, 2018 and May 31, 2019. 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, 2019			As of May 31, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Fees, fines and charges for services	\$ 2,737,823	\$30,323,938	\$ 33,061,761	\$ 2,796,597	\$30,279,545	\$ 33,076,142
Operating grants and contributions	1,215,979	0	1,215,979	1,500,777	0	1,500,777
Capital grants and contributions	297,295	5,069,636	5,366,931	2,414,904	3,968,675	6,383,579
General Revenues:						
Taxes-						
Ad valorem taxes	2,134,179	0	2,134,179	2,186,690	0	2,186,690
Sales and use tax	10,087,362	0	10,087,362	10,399,144	0	10,399,144
Franchise fees	387,319	0	387,319	375,653	0	375,653
Video bingo	498,552	0	498,552	481,665	0	481,665
Licenses and permits	921,317	0	921,317	950,888	0	950,888
Interest income	620,738	169,644	790,382	481,328	164,792	646,120
Gain (loss) on sale/ retirement of fixed assets	89,211	23,541	112,752	33,015	13,601	46,616
Rental income	130,297	116,706	247,003	151,104	95,865	246,969
Insurance recoveries	424,452	10,133	434,585	102,704	40,417	143,121
Nonemployer						
Pension Revenue	496,432	89,062	585,494	461,108	79,227	540,335
Miscellaneous	<u>88,650</u>	<u>0</u>	<u>88,650</u>	<u>784,640</u>	<u>(10,540)</u>	<u>774,100</u>
Total Revenues	<u>\$ 20,129,606</u>	<u>\$35,802,660</u>	<u>\$ 55,932,266</u>	<u>\$23,120,217</u>	<u>\$34,631,582</u>	<u>\$ 57,751,799</u>

**CITY OF NATCHITOCHEES, LOUISIANA**

Management's Discussion and Analysis  
For Year Ended May 31, 2019

**City of Natchitoches' Changes in Net Position (continued)**

	<u>As of May 31, 2019</u>			<u>As of May 31, 2018</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Expenses:						
General government	\$ 7,943,269	\$ 0	\$ 7,943,269	\$ 6,460,361	\$ 0	\$ 6,460,361
Public safety	10,056,901	0	10,056,901	10,069,823	0	10,069,823
Streets and sanitation	8,702,887	0	8,702,887	4,550,322	0	4,550,322
Recreation and cultural	1,330,924	0	1,330,924	995,652	0	995,652
Interest on long-term debt	650,208	0	650,208	241,691	0	241,691
Water, sewer, and utilities	4,039,203	27,072,367	31,111,570	4,280,647	25,619,092	29,899,739
Economic development	2,168,921	0	2,168,921	3,263,682	0	3,263,682
Health and welfare	240,351	0	240,351	230,284	0	230,284
Information tech	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	\$ <u>35,132,664</u>	\$ <u>27,072,367</u>	\$ <u>62,205,031</u>	\$ <u>30,092,462</u>	\$ <u>25,619,092</u>	\$ <u>55,711,554</u>
Increases in net position						
before transfers	\$(15,003,058)	\$ 8,730,293	\$ (6,272,765)	\$(6,972,245)	\$ 9,012,490	\$ 2,040,245
Transfers	<u>7,334,662</u>	<u>(7,334,662)</u>	<u>0</u>	<u>5,717,254</u>	<u>(5,717,254)</u>	<u>0</u>
Increase in net position	\$ <u>(7,668,396)</u>	\$ <u>1,395,631</u>	\$ <u>(6,272,765)</u>	\$ <u>(1,254,991)</u>	\$ <u>3,295,236</u>	\$ <u>2,040,245</u>
Net Position-June 1	<u>40,571,865</u>	<u>67,595,371</u>	<u>108,167,236</u>	<u>44,076,440</u>	<u>66,152,394</u>	<u>110,228,834</u>
Net Position-May 31	\$ <u>32,903,469</u>	\$ <u>68,991,002</u>	\$ <u>101,894,471</u>	\$ <u>42,821,449</u>	\$ <u>69,447,630</u>	\$ <u>112,269,079</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.

**General Fund Budgetary Highlights** - During the year, the City made one revision to the original appropriations approved by the City Council.

## CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis  
For Year Ended May 31, 2019

### Capital Assets

The City of Natchitoches' investment in capital assets for its governmental and business-type activities as of May 31, 2019 amounts to \$115,141,621 (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:

- Improvements made to the water, sewer, and electric systems.
- Improvements made to the City airport.
- Improvements to City Parks.
- Improvements to City Streets.

#### Capital Assets at Year-end Net of Accumulated Depreciation As of May 31, 2019

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Capital Assets, not depreciated:			
Land	\$11,020,330	\$ 850,995	\$ 11,871,325
Construction in Progress	7,945,018	0	7,945,018
Capital Assets, depreciated:			
Buildings	11,495,503	895,508	12,391,011
Machinery & Equipment	1,071,743	379,887	1,451,630
Vehicles	1,664,369	337,111	2,001,480
Other Assets	140,466	0	140,466
Streets	3,765,793	0	3,765,793
Other Infrastructure	15,533,970	0	15,533,970
Utility Plant & System	<u>0</u>	<u>60,040,928</u>	<u>60,040,928</u>
Total	<u>\$52,637,192</u>	<u>\$62,504,429</u>	<u>\$115,141,621</u>

Additional information on the City of Natchitoches' capital assets can be found on pages 39 through 41 of this report.

## CITY OF NATCHITOCHEs, LOUISIANA

Management's Discussion and Analysis  
For Year Ended May 31, 2019

### Debt Administration

At the end of the current fiscal year, the City of Natchitoches had total long term debt of \$53,524,412. Long-term debt of the City includes a newly recognized net pension liability based on actuarially determined amounts in accordance with GASB No. 68.

#### Outstanding Debt at Year End As of May 31, 2019

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
General Obligation Debt	\$ 1,226,138	\$ 0	\$ 1,226,138
Net Other Post Employment Obligation	4,000,933	1,195,084	5,196,017
Net Pension Liability	18,957,361	5,912,012	24,869,373
Accrued Employee Vacations	2,254,544	588,340	2,842,884
Revenue Bonds Payable	<u>19,020,000</u>	<u>370,000</u>	<u>19,390,000</u>
Total	<u>\$45,458,976</u>	<u>\$8,065,436</u>	<u>\$53,524,412</u>

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

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

#### Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2019-20 budget, general fund revenues are budgeted at a 2 percent increase from the 2018-19 budget year. Sales taxes are budgeted at a 2 percent increase. Taxes make up about 35% of the general fund budgeted revenues, and transfers make up about 50%. The 2019-20 utility fund operations are budgeted to break even. Economic growth and housing development are beginning to show growth.

#### 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 [dmiley@natchitochesla.gov](mailto:dmiley@natchitochesla.gov).

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*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

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447  
[www.tcbtcpa.com](http://www.tcbtcpa.com)

**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, 2019, 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, 2019, 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, 2019, 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 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 information 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's primary government. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditure and changes in fund balance listed as required/other supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditure and changes in fund balance, 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 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 Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditure and changes in fund balance are fairly stated in all material respects in relation to the financial statements as a whole.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated November 18, 2019 on our consideration of the City of Natchitoches's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Natchitoches's internal control over financial reporting and compliance.

#### *Report on Other Legal and Regulatory Requirements*

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 18, 2019, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

November 18, 2019

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

City of Natchitoches, Louisiana  
Government-Wide Statement of Net Position  
May 31, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash & Cash Equivalents	\$30,261,761	\$ 5,300,715	\$ 35,562,476
Receivables, net	1,474,029	3,164,122	4,638,151
Other Receivables	0	26,020	26,020
Inventories at Cost	0	1,174,343	1,174,343
Prepaid Expenses	168,489	5,483	173,972
Restricted Assets-			
Cash & Cash Equivalents	0	5,614,547	5,614,547
Capital Assets	<u>52,637,192</u>	<u>62,504,429</u>	<u>115,141,621</u>
Total Assets	<u>\$84,541,471</u>	<u>\$77,789,659</u>	<u>\$162,331,130</u>
Deferred Outflows of Resources	<u>\$ 5,485,536</u>	<u>\$ 1,994,908</u>	<u>\$ 7,480,444</u>
Liabilities:			
Cash Overdrafts	\$ 6,424,544	\$ 0	\$ 6,424,544
Accounts Payable	2,736,013	1,207,373	3,943,386
Accrued Payroll	452,946	152,633	605,579
Accrued Expenses	562,796	18,402	581,198
Payable from Restricted Assets-			
Bond Principal	19,020,000	370,000	19,390,000
Customer's Deposits	0	998,505	998,505
Long-term Debt-			
Due Within One Year	296,349	0	296,349
Due in More than One Year	929,789	0	929,789
Net OPEB Obligation	4,000,933	1,195,084	5,196,017
Net Pension Liability	18,957,361	5,912,012	24,869,373
Accrued Employee Vacations	<u>2,254,544</u>	<u>588,340</u>	<u>2,842,884</u>
Total Liabilities	<u>\$55,635,275</u>	<u>\$10,442,349</u>	<u>\$ 66,077,624</u>
Deferred Inflows of Resources	<u>\$ 1,488,263</u>	<u>\$ 351,216</u>	<u>\$ 1,839,479</u>
Net Position:			
Net Investment in Capital Assets	\$32,391,054	\$62,134,429	\$ 94,525,483
Restricted for Debt Service	0	5,614,547	5,614,547
Unrestricted	<u>512,415</u>	<u>1,242,026</u>	<u>1,754,441</u>
Total Net Position	<u>\$32,903,469</u>	<u>\$68,991,002</u>	<u>\$101,894,471</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Government-Wide Statement of Activities  
For the Year Ended May 31, 2019

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
<b>Governmental Activities:</b>							
General Government	\$ 7,943,269	\$ 75	\$ 258,674	\$ 0	\$ (7,684,520)	\$ 0	\$ (7,684,520)
Public Safety	10,056,901	169,628	404,357	0	(9,482,916)	0	(9,482,916)
Streets & Sanitation	8,702,887	2,005,548	0	0	(6,697,339)	0	(6,697,339)
Water, Sewer & Utilities	4,039,203	0	25,390	25,000	(3,988,813)	0	(3,988,813)
Economic Development	2,168,921	445,072	146,253	272,295	(1,305,301)	0	(1,305,301)
Health & Welfare	240,351	0	0	0	(240,351)	0	(240,351)
Recreation & Culture	1,330,924	117,500	381,305	0	(832,119)	0	(832,119)
Interest on Long-term Debt	<u>650,208</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(650,208)</u>	<u>0</u>	<u>(650,208)</u>
<b>Total Governmental Activities</b>	<b><u>\$35,132,664</u></b>	<b><u>\$ 2,737,823</u></b>	<b><u>\$1,215,979</u></b>	<b><u>\$ 297,295</u></b>	<b><u>\$(30,881,567)</u></b>	<b><u>\$ 0</u></b>	<b><u>\$(30,881,567)</u></b>
<b>Business-Type Activities:</b>							
Utilities Administration	\$ 1,597,581	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,597,581)	\$ (1,597,581)
Electric	19,012,441	24,460,893	0	0	0	5,448,452	5,448,452
Water	3,587,985	3,804,443	0	5,069,636	0	5,286,094	5,286,094
Sewer	2,439,371	2,058,602	0	0	0	(380,769)	(380,769)
Information Technology	356,012	0	0	0	0	(356,012)	(356,012)
Interest on Long-term Debt	<u>78,977</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(78,977)</u>	<u>(78,977)</u>
<b>Total Business-Type Activities</b>	<b><u>\$27,072,367</u></b>	<b><u>\$30,323,938</u></b>	<b><u>\$ 0</u></b>	<b><u>\$5,069,636</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 8,321,207</u></b>	<b><u>\$ 8,321,207</u></b>
<b>Total Government</b>	<b><u>\$62,205,031</u></b>	<b><u>\$33,061,761</u></b>	<b><u>\$1,215,979</u></b>	<b><u>\$5,366,931</u></b>	<b><u>\$(30,881,567)</u></b>	<b><u>\$ 8,321,207</u></b>	<b><u>\$(22,560,360)</u></b>
<b>General Revenues:</b>							
<b>Taxes-</b>							
Ad Valorem					\$ 2,134,179	\$ 0	\$ 2,134,179
Sales & Use					10,087,362	0	10,087,362
Franchise					387,319	0	387,319
Video Bingo					498,552	0	498,552
Licenses & Permits					921,317	0	921,317
Interest Income					620,738	169,644	790,382
Gain (Loss) on Sale of Assets					89,211	23,541	112,752
Rental Income					130,297	116,706	247,003
Insurance Recoveries					424,452	10,133	434,585
Nonemployer Pension Revenue					496,432	89,062	585,494
Miscellaneous					88,650	0	88,650
Transfers					<u>7,334,662</u>	<u>(7,334,662)</u>	<u>0</u>
<b>Total General Revenues &amp; Transfers</b>					<b><u>\$ 23,213,171</u></b>	<b><u>\$ (6,925,576)</u></b>	<b><u>\$ 16,287,595</u></b>
<b>Change in Net Position</b>					<b><u>\$ (7,668,396)</u></b>	<b><u>\$ 1,395,631</u></b>	<b><u>\$ (6,272,765)</u></b>
<b>Net Position at Beginning of Year</b>					<b><u>40,571,865*</u></b>	<b><u>67,595,371*</u></b>	<b><u>108,167,236*</u></b>
<b>Net Position at End of Year</b>					<b><u>\$ 32,903,469</u></b>	<b><u>\$68,991,002</u></b>	<b><u>\$101,894,471</u></b>

\*Restated see Note 1.T

See independent auditors' report and notes to financial statements.

## FUND FINANCIAL STATEMENTS

City of Natchitoches, Louisiana  
Balance Sheet-Governmental Funds  
May 31, 2019

	Major Funds						Total Governmental Funds
	General Fund	Capital Projects Streets Fund	Capital Projects Utility Improvements Fund	Capital Projects Sales Tax Fund	Sports Complex Construction Fund	Nonmajor Funds	
<u>Assets</u>							
Cash & Cash Equivalents	\$2,596,482	\$ 0	\$3,811,186	\$3,534,220	\$9,151,104	\$11,168,769	\$30,261,761
Revenue Receivables	426,720	0	0	176,240	0	871,069	1,474,029
Prepaid Expenses	<u>9,817</u>	<u>0</u>	<u>8,018</u>	<u>0</u>	<u>0</u>	<u>150,654</u>	<u>168,489</u>
Total Assets	<u>\$3,033,019</u>	<u>\$ 0</u>	<u>\$3,819,204</u>	<u>\$3,710,460</u>	<u>\$9,151,104</u>	<u>\$12,190,492</u>	<u>\$31,904,279</u>
<u>Liabilities</u>							
Cash Overdrafts	\$ 0	\$ 3,970,489	\$ 0	\$1,398,089	\$ 0	\$ 1,055,966	\$ 6,424,544
Accounts Payable	84,246	205	70,274	62,326	2,261,781	257,181	2,736,013
Accrued Expenses	237,395	0	0	133,576	0	191,825	562,796
Accrued Payroll	<u>437,122</u>	<u>6,838</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,986</u>	<u>452,946</u>
Total Liabilities	<u>\$ 758,763</u>	<u>\$ 3,977,532</u>	<u>\$ 70,274</u>	<u>\$1,593,991</u>	<u>\$2,261,781</u>	<u>\$ 1,513,958</u>	<u>\$10,176,299</u>
<u>Fund Balances</u>							
Nonspendable	\$ 9,817	\$ 0	\$ 8,018	\$ 0	\$ 0	\$ 138,379	\$ 156,214
Restricted	0	0	0	0	0	3,126,956	3,126,956
Committed	0	0	3,740,912	2,116,469	6,889,323	8,347,811	21,094,515
Unassigned	<u>2,264,439</u>	<u>(3,977,532)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(936,612)</u>	<u>(2,649,705)</u>
Total Fund Balances	<u>\$2,274,256</u>	<u>\$(3,977,532)</u>	<u>\$3,748,930</u>	<u>\$2,116,469</u>	<u>\$6,889,323</u>	<u>\$10,676,534</u>	<u>\$21,727,980</u>
Total Liabilities & Fund Balances	<u>\$3,033,019</u>	<u>\$ 0</u>	<u>\$3,819,204</u>	<u>\$3,710,460</u>	<u>\$9,151,104</u>	<u>\$12,190,492</u>	<u>\$31,904,279</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
May 31, 2019

Total Fund Balances of the Governmental Funds \$ 21,727,980

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

The following used in Governmental Activities are not  
financial resources; and, therefore, are not reported  
in the Governmental Funds Balance Sheet-

Capital Assets, Net	52,637,192
Deferred Outflows of Resources	5,485,536

The following are not due and payable in the  
current period; and, therefore, are not reported  
in the Governmental Funds Balance Sheet-

Long-term Debt	(20,246,138)
Net OPEB Obligation	(4,000,933)
Net Pension Liability	(18,957,361)
Accrued Compensated Absences	(2,254,544)
Deferred Inflows of Resources	<u>(1,488,263)</u>

Total Net Position of Governmental Activities \$ 32,903,469

City of Natchitoches, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended May 31, 2019

	Major Funds						Total Governmental Funds
	General Fund	Capital Projects Streets Fund	Capital Projects Utility Improvements Fund	Capital Projects Sales Tax Fund	Sports Complex Construction Fund	Nonmajor Funds	
<b>REVENUES:</b>							
Taxes	\$ 5,211,853	\$ 0	\$ 0	\$ 1,971,703	\$ 0	\$ 5,923,856	\$ 13,107,412
Licenses & Permits	921,317	0	0	0	0	0	921,317
Intergovernmental	1,202,945	0	0	0	0	542,302	1,745,247
Charges for Services	142,907	0	0	0	0	2,455,855	2,598,762
Fines & Forfeits	82,083	0	0	0	0	56,978	139,061
Miscellaneous	357,178	0	18,933	123,648	0	537,311	1,037,070
Total Revenues	<u>\$ 7,918,283</u>	<u>\$ 0</u>	<u>\$ 18,933</u>	<u>\$ 2,095,351</u>	<u>\$ 0</u>	<u>\$ 9,516,302</u>	<u>\$ 19,548,869</u>
<b>EXPENDITURES:</b>							
Current-							
General Government	\$ 3,753,865	\$ 0	\$ 10,931	\$ 1,261,268	\$ 0	\$ 1,467,527	\$ 6,493,591
Public Safety	9,403,194	0	0	0	0	1,298,190	10,701,384
Streets & Sanitation	1,394,269	4,790,608	0	0	0	1,873,496	8,058,373
Water, Sewer & Utilities	0	0	611,460	1,448,523	0	1,999,455	4,059,438
Economic Development	328,208	0	0	0	7,010,565	2,593,177	9,931,950
Recreation & Culture	806,599	0	0	0	0	110,755	917,354
Health & Welfare	238,203	0	0	0	0	0	238,203
Debt Service	0	0	0	0	0	1,868,527	1,868,527
Total Expenditures	<u>\$15,924,338</u>	<u>\$ 4,790,608</u>	<u>\$ 622,391</u>	<u>\$ 2,709,791</u>	<u>\$ 7,010,565</u>	<u>\$11,211,127</u>	<u>\$ 42,268,820</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (8,006,055)</u>	<u>\$(4,790,608)</u>	<u>\$ (603,458)</u>	<u>\$ (614,440)</u>	<u>\$(7,010,565)</u>	<u>\$(1,694,825)</u>	<u>\$(22,719,951)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating Transfers In	\$ 8,541,580	\$ 600,875	\$ 574,438	\$ 0	\$ 535,000	\$ 6,444,878	\$ 16,696,771
Operating Transfers Out	(505,320)	0	0	(2,349,903)	0	(6,506,886)	(9,362,109)
Sale of Assets	0	0	0	0	0	91,465	91,465
Debt Proceeds	0	0	0	0	1,759,558	1,155,751	2,915,309
Insurance Proceeds	0	0	0	0	0	290,000	290,000
Total Other Financing	<u>\$ 8,036,260</u>	<u>\$ 600,875</u>	<u>\$ 574,438</u>	<u>\$(2,349,903)</u>	<u>\$ 2,294,558</u>	<u>\$ 1,475,208</u>	<u>\$ 10,631,436</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 30,205</u>	<u>\$(4,189,733)</u>	<u>\$ (29,020)</u>	<u>\$(2,964,343)</u>	<u>\$(4,716,007)</u>	<u>\$ (219,617)</u>	<u>\$(12,088,515)</u>
Fund Balances- Beginning of Year	<u>2,244,051</u>	<u>212,201</u>	<u>3,777,950</u>	<u>5,080,812</u>	<u>11,605,330</u>	<u>10,896,151</u>	<u>33,816,495</u>
Fund Balances- End of Year	<u>\$ 2,274,256</u>	<u>\$(3,977,532)</u>	<u>\$3,748,930</u>	<u>\$ 2,116,469</u>	<u>\$ 6,889,323</u>	<u>\$10,676,534</u>	<u>\$ 21,727,980</u>

See independent auditors' report and 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, 2019

Net Change in Fund Balance - Governmental Funds \$(12,088,515)

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

Governmental Funds report Capital Outlays as expenditures.

However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

The cost of capital assets recorded in the current period is 9,202,583

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:

Depreciation Expense	(2,677,104)
General Obligation Revenue Bond Debt Payments	1,261,818
Non-Employer Pension Revenue	89,063
Net OPEB Obligation	(203,787)
Pension Expense	(104,697)
Accrued Compensated Absences	(3,876)

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 945,750

The net effect of sales transactions involving capital assets is to decrease net position (198,131)

Change in Net Position of Governmental Activities \$ (7,668,396)

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Statement of Net Position  
Proprietary Fund  
Year Ended May 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 5,300,715
Receivables	1,533,912
Less, Allowance for Doubtful Accounts	(300,000)
Unbilled Receivables	1,930,210
Inventory at Cost	1,174,343
Prepaid Expenses	<u>5,483</u>
Total Current Assets	<u>\$ 9,644,663</u>
Restricted Assets-	
Cash & Cash Equivalents	<u>\$ 5,614,547</u>
Noncurrent Assets-	
Capital Assets, Net	<u>\$62,504,429</u>
Other Assets-	
Other Receivables	<u>\$ 26,020</u>
Total Assets	<u>\$77,789,659</u>
Deferred Outflows of Resources	<u>\$ 1,994,908</u>
Liabilities-	
Current Liabilities-	
Accounts Payable	\$ 1,207,373
Accrued Payroll	152,633
Accrued Expenses	18,402
Accrued Employee Vacations	<u>58,340</u>
Total Current Liabilities	<u>\$ 1,436,748</u>
Liabilities Payable from Restricted Assets-	
Current Portion of Revenue Bonds	\$ 175,000
Customer's Deposits	<u>998,505</u>
Total Payable from Restricted Assets	<u>\$ 1,173,505</u>

Continued next page.

City of Natchitoches, Louisiana  
Statement of Net Position  
Proprietary Fund  
Year Ended May 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Noncurrent Liabilities-	
Revenue Bonds Payable	\$ 195,000
Net OPEB Obligation	1,195,084
Net Pension Liability	5,912,012
Accrued Employee Vacations	<u>530,000</u>
Total Noncurrent Liabilities	<u>\$ 7,832,096</u>
 Total Liabilities	 <u>\$10,442,349</u>
 Deferred Inflows of Resources	 <u>\$ 351,216</u>
 Net Position-	
Net Investment in Capital Assets	\$62,134,429
Restricted for-	
Debt Service	5,614,547
Unrestricted	<u>1,242,026</u>
Total Net Position	<u>\$68,991,002</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
Year Ended May 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Operating Revenues:	
Charges for Services-	
Electric	\$23,631,995
Water	3,669,748
Sewer	1,986,074
Miscellaneous-	
Penalties & Charges	365,323
New Account and Reconnect Fees	86,250
Production Credits	574,438
Bad Debt Recovery	1,989
Other	<u>8,121</u>
Total Operating Revenues	<u>\$30,323,938</u>
Operating Expenses:	
Utility Administration-	
Personnel Services	\$ 1,019,497
Utilities & Telephone	25,244
Supplies	371,857
Maintenance	117,387
Uncollectible Accounts	<u>63,596</u>
Total Administration	<u>\$ 1,597,581</u>
Electric-	
Personnel Services	\$ 1,775,170
Power Purchased	15,798,794
System Maintenance	690,713
Depreciation	563,703
Supplies & Miscellaneous	<u>199,064</u>
Total Electric	<u>\$19,027,444</u>
Water-	
Personnel Services	\$ 813,331
Treatment Expenses	865,588
System Maintenance	438,228
Utilities	205,520
Depreciation	1,107,325
Supplies & Miscellaneous	<u>148,516</u>
Total Water	<u>\$ 3,578,508</u>

Continued next page.

City of Natchitoches, Louisiana  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
Year Ended May 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
Sewer-	
Personnel Services	\$ 841,163
Treatment Expenses	97,932
System Maintenance	346,720
Utilities	229,009
Depreciation	631,801
Supplies & Miscellaneous	<u>287,217</u>
Total Sewer	<u>\$ 2,433,842</u>
Information Technology Department-	
Personnel Services	\$ 190,246
Computer Software & Maintenance	152,643
Supplies & Maintenance	<u>13,126</u>
Total Information Technology Department	<u>\$ 356,015</u>
Total Operating Expenses	<u>\$26,993,390</u>
Income from Operations	<u>\$ 3,330,548</u>
Non-operating Revenues (Expenses):	
Interest Income	\$ 169,644
Insurance Recoveries	10,133
Gain on Sale of Assets	23,605
Loss on Investments	(64)
Nonemployer Pension Revenue	89,062
Rental Income	116,706
Interest Expense	<u>(78,977)</u>
Total Non-operating Revenues (Expenses)	<u>\$ 330,109</u>
Income Before Contributions and Transfers	<u>\$ 3,660,657</u>
Contributions and Transfers-	
Capital Contributions from Other Funds	\$ 5,069,636
Transfers Out	(8,913,605)
Transfers In	<u>1,578,943</u>
Total Contributions and Transfers	<u>\$ (2,265,026)</u>
Change in Net Position	\$ 1,395,631
Net Position at Beginning of Year	<u>67,595,371*</u>
Net Position at End of Year	<u>\$68,991,002</u>

\*Restated see Note 1.T

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Statement of Cash Flows  
Proprietary Fund  
Year Ended May 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 30,929,407
Cash Payments to Employees	(4,282,290)
Cash Payments to Suppliers for Goods and Services	<u>(20,184,605)</u>
Net Cash Provided by Operating Activities	<u>\$ 6,462,512</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Rental Income	\$ 116,706
Transfers to Other Funds	(8,913,605)
Transfers from Other Funds	<u>1,578,943</u>
Net Cash Used by Non-capital Financing Activities	<u>\$ (7,217,956)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Gain on Sale of Assets	\$ 23,605
Insurance Recoveries	10,133
Acquisition of Capital Assets-	
Total Asset Additions	(5,443,279)
Less, Capital Contributed from Other Funds	5,069,636
Principal Paid on Capital Debt	(170,000)
Interest Paid on Capital Debt	<u>(78,977)</u>
Net Cash Used by Capital and Related Financing Activities	<u>\$ (588,882)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Income	\$ 169,644
Loss on Investments	<u>(64)</u>
Net Cash Provided by Investing Activities	<u>\$ 169,580</u>
Net Decrease in Cash & Cash Equivalents	\$ (1,174,746)
Cash & Cash Equivalents-Beginning of Year	<u>12,090,008</u>
Cash & Cash Equivalents-End of Year	<u>\$ 10,915,262</u>

Continued next page.

City of Natchitoches, Louisiana  
Statement of Cash Flows  
Proprietary Fund  
Year Ended May 31, 2019

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
RECONCILIATION OF OPERATING INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income	\$ <u>3,330,549</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	2,302,829
Changes in Assets & Liabilities-	
(Increase)/Decrease in Accounts Receivable	521,839
(Increase)/Decrease in Inventory	96,287
(Increase)/Decrease in Prepaid Expenses	210
(Increase)/Decrease in Other Receivables	(19,234)
Increase/(Decrease) in Accounts Payable	(229,949)
Increase/(Decrease) in Accrued Payroll	9,888
Increase/(Decrease) in Compensated Absences	17,769
Increase/(Decrease) in Net OPEB	60,872
Increase/(Decrease) in Net Pension Liability	268,588
Increase/(Decrease) in Customer Deposits	<u>102,864</u>
Total Adjustments	\$ <u>3,131,963</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>6,462,512</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the past year, the Enterprise Fund received Capital Assets with a net value of \$5,069,636 that were purchased and/or constructed by the Governmental Funds.

RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:

Current Assets-	
Cash and Cash Equivalents	\$ 5,300,715
Restricted Assets-	
Cash and Cash Equivalents	<u>5,614,547</u>
Total Cash and Cash Equivalents	\$ <u>10,915,262</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Statement of Fiduciary Net Position  
Agency Fund  
Cash Bond Fund  
Year Ended May 31, 2019

<u>Assets</u>	
Cash & Cash Equivalents	\$22,867
Accounts Receivable	<u>33,807</u>
Total Assets	<u>\$56,674</u>
<u>Liabilities</u>	
Due to Others	<u>\$56,674</u>
Total Liabilities	<u>\$56,674</u>

See independent auditors' report and notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

Introduction

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria is described below.

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

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

A. Reporting Entity (continued)

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 statements 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  
Notes to Financial Statements  
May 31, 2019

B. Basis of Presentation (continued)

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  
Notes to Financial Statements  
May 31, 2019

B. Basis of Presentation (continued)

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.

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.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

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

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, post-employment benefit obligations, pension expense 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. Capital Projects Streets Fund-To account for the repairs and rehabilitation of streets within the City.
3. Capital Projects Utility Improvements Fund-To account for revenues earned by the Utility System's electrical production plant which are used for improvements to the Utility System.
4. Capital Projects Sales Tax Fund-To account for the payment of the DEQ Bonds issued to construct a new wastewater treatment plant and to fund water and sewer fund maintenance.
5. Sports Complex Construction Fund-To account for the construction of a sports recreation complex within the City of Natchitoches.

D. Budgets and Budgetary Accounting

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

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

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

D. Budgets and Budgetary Accounting (continued)

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, 2019 was \$300,000, which was not changed from the prior year.

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.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

H. Capital Assets (continued)

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	5-14 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. 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	\$ 8,541,580	\$ 505,320
Special Revenue Funds-		
Hazard Tax	0	1,263,920
Sales Tax Police	0	1,782,000
Airport Operations	51,250	0
Employee Benefits	600,000	0
Liability Insurance	849,000	0
Workman's Compensation Fund	121,867	123,020
Economic Development District	0	202,204
Community Program	45,625	0
2015 Revenue Note Reserve Fund	202,204	0
Rapides Foundation Fund	500	0
Sales Tax Rededication	493,687	2,142,055
Cane River Green Market	375	0
Miss Merry Christmas	12,300	0

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

J. Interfund Transactions (continued)

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Capital Projects Funds-		
Capital Projects-Sales Tax	\$ 0	\$ 2,349,903
Capital Improvements-Special	300,000	500,000
Capital Improvements-Utility	574,438	0
Capital Improvements - Streets	600,875	0
LCDBG Sibley Lake Fund	799,903	0
Water Treatment Plant Fund	296,085	0
Chaplain's Lake Water Imp.	98,770	0
LWCF-City Park	0	493,687
Sports Complex Construction Fund	535,000	0
Parking Lot	0	0
LED Site Development	0	0
LCDBG Grants	0	0
Texas & PAC Railway Depot	0	0
DOTD Hwy 1 South	0	0
Debt Service-		
Sales Tax	1,307,056	0
General Obligations	1,266,256	0
Enterprise Fund-		
Utility	<u>1,578,943</u>	<u>8,913,605</u>
Totals	<u>\$18,275,714</u>	<u>\$18,275,714</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.

K. Prepaid Expenses

Prepaid expense 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.

L. 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.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

M. 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.

N. Pensions

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See note 7, for more information on the individual retirement systems.

O. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

P. Fund Equity

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

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

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

P. Fund Equity, (continued)

The General Fund has an unassigned fund balance of \$2,264,439. 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	Water, Sewer & Utilities	Total
<b>Nonspendable:</b>									
General Fund	\$ 9,817	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,817
Hazard Tax	1,667	0	0	0	0	0	0	0	1,667
Airport Fund	33	0	0	0	0	0	0	0	33
Water Treatment Plant	117,179	0	0	0	0	0	0	0	117,179
CP-Utility Improvements	8,018	0	0	0	0	0	0	0	8,018
Sales Tax - Police	19,500	0	0	0	0	0	0	0	19,500
Total	<u>\$156,214</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 156,214</u>
<b>Restricted:</b>									
Hazard Tax	\$ 0	\$ 0	\$ 0	\$ 859,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 859,510
Multi-Drug Task Force	0	0	0	23,633	0	0	0	0	23,633
Prisoner Bond Release	0	0	0	44,413	0	0	0	0	44,413
LLEBG Grant Fund	0	0	0	14,136	0	0	0	0	14,136
Knock-Knock Grant	0	0	0	824	0	0	0	0	824
Sales Tax Police	0	0	0	789,712	0	0	0	0	789,712
DOTD Gateway Ph. II	0	0	0	0	0	32,250	0	0	32,250
Water Treatment Plant	0	0	0	0	0	0	0	1,362,478	1,362,478
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,732,228</u>	<u>\$ 0</u>	<u>\$ 32,250</u>	<u>\$ 0</u>	<u>\$1,362,478</u>	<u>\$ 3,126,956</u>
<b>Committed:</b>									
CP-Utility Improvements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$3,740,912	\$ 3,740,912
Sales Tax	0	0	0	0	0	2,116,469	0	0	2,116,469
Sports Complex Construction	0	0	6,889,323	0	0	0	0	0	6,889,323
Airport Fund	0	0	0	0	0	171,074	0	0	171,074
Workman's Compensation	0	0	0	0	0	0	349,756	0	349,756
Drug Recovery	0	0	0	72,365	0	0	0	0	72,365
911 Grant Fire	0	0	0	91,913	0	0	0	0	91,913
Animal Shelter	0	0	0	42,196	0	0	0	0	42,196
Liability Insurance	0	0	0	234,226	0	0	0	0	234,226
Main Street Promotions	0	0	0	0	0	103,485	0	0	103,485
Cane River Green Market	0	0	0	0	6,509	0	0	0	6,509
911-Police Grant	0	0	0	71,505	0	0	0	0	71,505
NW Law Enforcement	0	0	0	3,800	0	0	0	0	3,800
Economic Development District	0	0	0	0	0	408,342	0	0	408,342
State Office of Culture Dev.	0	0	0	0	0	8,398	0	0	8,398
Garbage Service	0	0	0	0	0	0	0	358,269	358,269
Miss Merry Christmas	0	0	0	0	18,756	0	0	0	18,756
Keep Louisiana Beautiful	0	0	0	0	0	500	0	0	500
SWAT Fund	0	0	0	147	0	0	0	0	147
LAC/Traffic Enforcement Prog.	0	0	0	1,436	0	0	0	0	1,436
Community Program Fund	0	0	0	0	0	54,844	0	0	54,844
NHDDC Projects Fund	0	0	0	0	0	4,258	0	0	4,258
Rapides Foundation Fund	0	0	0	0	17,653	0	0	0	17,653
Equitable Sharing Program	0	0	0	0	0	22,783	0	0	22,783
Historic Preservation Fund	0	0	0	0	313	0	0	0	313
Sales Tax Rededication Fund	0	0	2,107,780	0	0	0	0	0	2,107,780
Sports Complex Operating	0	0	0	0	0	65,000	0	0	65,000
Capital Improvements	0	0	2,627,247	0	0	0	0	0	2,627,247
Texas & PAC Railway	0	0	0	0	1,223	0	0	0	1,223
Chateau St. Denis	0	0	0	0	0	9,952	0	0	9,952
Debt Service	0	1,494,081	0	0	0	0	0	0	1,494,081
Total	<u>\$ 0</u>	<u>\$1,494,081</u>	<u>\$11,624,350</u>	<u>\$ 517,588</u>	<u>\$44,454</u>	<u>\$2,965,105</u>	<u>\$349,756</u>	<u>\$4,099,181</u>	<u>\$21,094,515</u>

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

Q. 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.

R. Bond Issuance Costs

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

S. 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.

T. Restatement of Net Position

For the year ended May 31, 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement 75 *Actuarial Valuation of Other Post-employment Benefits – Amendment of GASB Statement 45*, which resulted in a cumulative change in accounting principle and also a restatement of net position. The net effect of the restatement was to decrease total net position of the City by \$3,004,101.

In addition, prior year accounts payable was understated which resulted in a restatement of net position in the enterprise fund. The net effect of this restatement is to decrease beginning net position of the City by \$1,180,282.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

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.

Property Tax Calendar

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, 2019, taxes of 17.03 mills were levied on property with an assessed valuation totaling \$128,662,980 and were dedicated as follows:

General Corporate Purposes	7.03 mills	indefinite
Special Taxes	10.00 mills	expires 2028

Total taxes collected were \$2,134,179 after small adjustments were made to the original tax roll. A tax sale was held on May 15, 2019, 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.

3. Capital Assets

Capital assets and depreciation activity as of and for the year ended May 31, 2019, 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	\$ 10,730,330	\$ 290,000	\$ 0	\$ 11,020,330
Construction in Progress	6,588,361	7,437,692	6,081,035	7,945,018
Capital Assets; depreciated-				
Buildings	17,392,885	588,162	0	17,981,047
Other Infrastructure	12,970,633	5,839,710	0	18,810,343
Other Assets	827,117	0	0	827,117
Furniture & Fixtures	15,104	0	0	15,104
Machinery & Equipment	3,307,358	472,192	0	3,779,550
Firearms	70,476	556	0	71,032
Vehicles	5,532,946	655,306	613,526	5,574,726
Streets	92,561,315	0	0	92,561,315
Sidewalks	5,547,866	0	0	5,547,866
Total Assets	<u>\$155,544,391</u>	<u>\$15,283,618</u>	<u>\$6,694,561</u>	<u>\$164,133,448</u>

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

3. Capital Assets, (continued)

Accumulated Depreciation-				
Buildings	\$ 6,000,620	\$ 484,924	\$ 0	\$ 6,485,544
Other Infrastructure	2,727,638	949,180	0	3,676,818
Other Assets	696,331	61,352	0	757,683
Furniture & Fixtures	15,104	0	0	15,104
Machinery & Equipment	2,529,344	178,463	0	2,707,807
Vehicles	3,906,251	419,501	415,395	3,910,357
Streets	88,279,091	516,431	0	88,795,522
Sidewalks	<u>5,080,168</u>	<u>67,253</u>	<u>0</u>	<u>5,147,421</u>
Total Accumulated Depr.	<u>\$109,234,547</u>	<u>\$ 2,677,104</u>	<u>\$ 415,395</u>	<u>\$111,496,256</u>
Total Capital Assets, Net	<u>\$ 46,309,844</u>	<u>\$12,606,514</u>	<u>\$6,279,166</u>	<u>\$ 52,637,192</u>

Depreciation expense of \$2,677,104 for the year ended May 31, 2019, was charged to the following governmental functions:

General Fund-	
Finance Department	\$ 29,385
Community Development Department	419,434
Planning & Zoning	5,772
Fire Department	218,777
Recreation Department	413,100
Public Works Department	719,449
Purchasing Department	16,045
Police Department	269,261
Airport Fund	4,000
Convention Center	344,445
Industrial Park South	<u>237,436</u>
Total	<u>\$2,677,104</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	\$ 845,995	\$ 5,000	\$ 0	\$ 850,995
Capital Assets; depreciated-				
Buildings	1,906,648	5,933	0	1,912,581
Furniture & Fixtures	310,366	0	0	310,366
Machinery & Equipment	10,622,155	255,897	37,256	10,840,796
Vehicles	1,948,382	118,388	18,000	2,048,770
Electric System	22,540,769	2,241,710	0	24,782,479
Water System	43,282,747	554,877	0	43,837,624
Sewer System	<u>24,345,487</u>	<u>2,261,473</u>	<u>0</u>	<u>26,606,960</u>
Total Assets	<u>\$105,802,549</u>	<u>\$5,443,278</u>	<u>\$55,256</u>	<u>\$111,190,571</u>

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

3. Capital Assets, (continued)

Accumulated Depreciation-				
Buildings	\$ 978,822	\$ 38,251	\$ 0	\$ 1,017,073
Furniture & Fixtures	310,366	0	0	310,366
Machinery & Equipment	10,447,988	50,177	37,256	10,460,909
Vehicles	1,419,799	309,860	18,000	1,711,659
Electric System	8,719,205	461,913	0	9,181,118
Water System	14,937,626	910,489	0	15,848,115
Sewer System	<u>9,624,763</u>	<u>532,139</u>	<u>0</u>	<u>10,156,902</u>
Total Accumulated Depr.	<u>\$ 46,438,569</u>	<u>\$2,302,829</u>	<u>\$55,256</u>	<u>\$ 48,686,142</u>
 Total Net Assets	 <u>\$ 59,363,980</u>	 <u>\$3,140,449</u>	 <u>\$ 0</u>	 <u>\$ 62,504,429</u>

Depreciation expense of \$2,302,829 for the year ended May 31, 2019, was charged to the following business-type functions:

Electric System	\$ 563,702
Water System	1,092,620
Sewer System	<u>646,507</u>
 Total Utility Fund	 <u>\$2,302,829</u>

4. Long-Term Debt

General Obligation-At May 31, 2019, the City had the following outstanding general obligation bond issues:

- 1) Purchase agreement dated October 2015, with G. F. Thomas Investments, L.P., A&F Walker Limited Partnership and Mary Francis Walker for the purchase of land at 560/562 Second Street. The original purchase price was \$217,500, 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.
- 2) Capital lease with option to purchase financed through Southside Bank for a fire rescue truck and payments began in December 2017. The original loan was for \$250,000 and is to be repaid over 10 years by the Hazard Tax Fund.
- 3) Capital lease with option to purchase financed through Southside Bank for a computer-aided dispatch system. The original loan was for \$349,926 and is to be repaid over four years by the Sales Tax Police Fund.
- 4) Note payable with Carbecca, LLC for the purchase of land at Rapides Drive. The original loan was for \$290,000 and is to be repaid over five years from the Hazard Tax Fund.
- 5) Note payable with BB&T Governmental Finance for the purpose of purchasing two pumper trucks for the fire department. The original loan was for \$515,824 and is to be repaid over five years from the Hazard Tax Fund.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

4. Long-Term Debt, (continued)

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. These revenue bond issues are:

- 1) Series 2009 B Bonds
- 2) Series 2009 A Bonds
- 3) Series 2013 Revenue Refunding Bonds
- 4) Series 2015 Revenue Refunding Bonds-DWRL
- 5) Series 2015 Revenue Refunding
- 6) Series 2018 Sales Tax Revenue
- 7) Series 2019 Sales Tax Revenue

General Obligations and Revenue Bonds Outstanding at May 31, 2019, 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-				
Thomas, Walker, Garner	12-01-2015	11-01-2019	0.00%	\$ 43,500
Southside Bank	12-01-2017	11-01-2026	2.99%	205,721
Southside Bank	07-01-2018	07-01-2021	3.20%	261,093
Carbecca, LLC	09-01-2018	08-31-2023	0.00%	200,000
BB&T Governmental Finance	10-15-2018	10-15-2023	3.84%	<u>515,824</u>
 Total General Obligation Debt				 <u>\$1,226,138</u>
Revenue Bonds-				
Series 2009 Revolving	12-15-2009	12-01-2030	2.95%	\$ 2,735,000
Series 2013 Refunding	12-01-2013	12-01-2022	2.15%	370,000
Series 2015 Refunding-DWRL	05-07-2015	12-01-2025	2.95%	1,256,000
Series 2015 Refunding	12-01-2015	12-01-2029	4.30%	1,689,000
Series 2018 Sales Tax Revenue	02-01-2018	02-01-2033	3.29%	11,840,000
Serves 2019 Sales Tax Revenue	03-01-2019	03-01-2033	3.70%	<u>1,500,000</u>
 Total Revenue Bonds				 <u>\$19,390,000</u>
 Total General Obligation and Revenue Bonds Payable				 <u>\$20,616,138</u>

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

4. Long-Term Debt, (continued)

The annual debt service requirements to maturity of general obligation debt and revenue bonds outstanding at May 31, 2019, excluding interest payments of \$5,502,393 are as follows:

Year Ending <u>May 31</u>	General <u>Obligation</u>	Revenue <u>Bonds</u>	<u>Total</u>
2020	\$ 296,349	\$ 1,303,000	\$ 1,599,349
2021	259,971	1,229,000	1,488,971
2022	267,345	1,266,000	1,533,345
2023	182,322	1,310,000	1,492,322
2024	137,264	1,287,000	1,424,264
2025-2029	82,887	7,209,000	7,291,887
2030-2034	<u>0</u>	<u>5,786,000</u>	<u>5,786,000</u>
Total	<u>\$1,226,138</u>	<u>\$19,390,000</u>	<u>\$20,616,138</u>

The following is a summary of changes in long-term debt, including accrued compensated absences, net other postemployment benefits (OPEB), and net pension liability for the year ended May 31, 2019:

	Balance <u>06-01-18</u>	<u>Additions</u>	<u>Reduction</u>	Balance <u>05-31-19</u>
General Obligation	\$ 315,206	\$1,155,750	\$ 244,818	\$ 1,226,138
Revenue Bonds	19,077,000	1,500,000	1,187,000	19,390,000
Compensated Absences (Note 1.I)	2,821,239	21,645	0	2,842,884
Net OPEB (Restated Note 1.T)	4,931,358	264,659	0	5,196,017
Net Pension Liability	<u>23,500,344</u>	<u>1,369,029</u>	<u>0</u>	<u>24,869,373</u>
Total	<u>\$50,645,147</u>	<u>\$4,311,083</u>	<u>\$1,431,818</u>	<u>\$53,524,412</u>

5. 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 2019 were \$3,943,405. The .5% levy is dedicated to the Police Department. Collections for 2019 were \$1,971,703.

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.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

5. Dedication of Proceeds and Flow of Funds-Sales and Use Tax, (continued)

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, waterworks facilities, recreation parks/facilities, and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works.

6. 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.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

7. Employment Retirement Systems

Substantially all employees of the City are members of the Municipal Employees Retirement System of Louisiana (MERS), Municipal Police Employees Retirement System of Louisiana (MPERS), Firefighters' Retirement System of Louisiana (FRS), or the Louisiana State Employees' Retirement System (LASERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. General Information about the Plans

*Municipal Employees Retirement System of Louisiana (MERS)*

*Plan Description*

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns and cities within the state, which did not have their own retirement system and which elected to become members of MERS.

Act 569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in MERS, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week. Individuals paid jointly by a participating employer and the parish are not eligible for membership in MERS with exceptions as outlined in the statutes. MERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.la.state.la.us](http://www.la.state.la.us).

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement**

Any member of Plan A who commenced participation prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five or more years of creditable service.
2. Age 60 with a minimum of ten years of creditable service.
3. Any age with five years of creditable service eligible for disability benefits.
4. Survivor's benefits require five or more years creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).
5. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements.

1. Age 67 with seven years of creditable service.
2. Age 62 with ten years of creditable service.
3. Age 55 with thirty years of creditable service.
4. Any age with twenty five years of creditable service with an actuarially reduced early benefit.
5. Survivor's benefits require five or more years of creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).

Generally, the monthly amount of the retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings. See Plan Booklet for further details.

### **Survivor's Benefits**

Upon the death of any member of Plan A with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

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

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

### **Deferred Retirement Option Plan (DROP)**

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A who is eligible to retire may elect to participate in DROP for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the MERS has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into DROP fund cease and the person resumes active contributing membership in MERS.

### **Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they have at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his/her final average compensation or three percent of the member's final average compensation multiplied by his/her years of creditable service, whichever is greater, or an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service projected to his earliest normal retirement age.

### **Cost-of-Living Increases**

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

### **Deferred Benefits**

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the employer contribution rate was 24.75% of member's earnings for Plan A.

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. MERS also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$189,493.

The City's contractually required composite contribution rate for the year ended May 31, 2019 was 26% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the City were \$1,361,043 for the year ended May 31, 2019.

*Municipal Police Employees' Retirement System (MPERS)*

*Plan Description*

MPERS was established by and the benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statutes 11:2211 – 11:2233. Participants should refer to the appropriate statutes for more complete information.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.lampers.org](http://www.lampers.org) or [www.la.state.la.us](http://www.la.state.la.us).

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

## **Retirement**

### Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

### Membership Commencing January 1, 2013

Membership eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 12 years creditable service and is age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

### **Cost-of-Living Increases**

The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.

Members who elect early retirement are not eligible for a COLA until they reach retirement age.

### **Deferred Retirement Option Plan (DROP)**

A member is eligible to elect to enter DROP when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in MPERS is terminated. At the entry date into DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into MPERS shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of MPERS' investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on MPERS' investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

### **Initial Benefit Option Plan**

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefits, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

*Contributions*

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

For the year ended June 30, 2018, the employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 30.75% and 10%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 30.75% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 33.25% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$167,782 are recognized as revenue, but are not considered special funding situations.

The City's contractually required composite contribution rate for the year ended May 31, 2019 was 32.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to the pension plan from the City were \$848,524 for the year ended May 31, 2019.

*Firefighters' Retirement System of Louisiana (FRS)*

FRS was established by Act 434 of 1979 to provide retirement, disability and survivor benefits to firefighters in Louisiana. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes 11:2251 – 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in FRS is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of FRS.

No person who has attained age 50 or over shall become a member of FRS, unless the person becomes a member by reason of a merger or unless FRS received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of FRS.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

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

FRS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.lafirefightersret.com](http://www.lafirefightersret.com) or [www.lla.state.la.us](http://www.lla.state.la.us).

#### *Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **Retirement**

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

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

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

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

#### **Disability Benefits**

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

#### **Death Benefits**

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

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

### **Deferred Retirement Option Plan (DROP)**

After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in DROP for up to 36 months.

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

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to FRS. No withdrawals may be made from the DROP account until the participant retires.

### **Initial Benefit Option Plan**

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

### **Cost-of-Living Increases**

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

### *Contributions*

Employer contributions are actuarially determined each year. For the measurement date of June 30, 2018, employer and employee contributions for members above the poverty line were 26.50% and 10%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.0%, respectively.

According to state statute, FRS receives insurance premium tax funds from the State of Louisiana as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$228,219 are recognized as revenue, but are not considered special funding situations.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

The City's contractually required composite contribution rate for the year ended May 31, 2019 was 26.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City were \$580,563 for the year ended May 31, 2019.

*Louisiana State Employees' Retirement System (LASERS)*

*Plan Description*

LASERS was established for the purpose of providing retirement allowances and other benefits as stated under Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401), as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through LASERS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information, which can be obtained at [www.laseronline.org](http://www.laseronline.org).

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement**

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 1, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

### **Deferred Retirement Benefits**

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than LASERS realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than LASERS realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

### **Disability Benefits**

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

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

### **Survivor's Benefits**

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

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

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

### **Permanent Benefit Increases/Cost-of-Living Adjustments**

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

#### *Contributions*

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

<b>Plan</b>	<b>Plan Status</b>	<b>Employer Contribution Rate</b>
Appellate Law Clerks	Closed	37.90%
Appellate Law Clerks hired on or after 7/1/06	Open	37.90%
Alcohol Tobacco Control	Closed	32.70%
Bridge Police	Closed	36.50%
Bridge Police hired on or after 7/1/06	Closed	36.50%
Corrections Primary	Closed	33.20%
Corrections Secondary	Closed	37.60%
Harbor Police	Closed	6.10%
Hazardous Duty	Open	38.30%
Judges hired before 1/1/2011	Closed	40.10%
Judges hired after 12/31/2010	Closed	39.60%
Judges hired on or after 7/1/15	Open	39.60%
Legislators	Closed	41.70%
Optional Retirement Plan (ORP)		
Hired before 7/1/06	Closed	37.90%
Hired on or after 7/1/06	Closed	37.90%

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

<u>Plan</u>	<u>Plan Status</u>	<u>Employer Contribution Rate</u>
Peace Officers	Closed	36.70%
Regular Employees		
Hired before 7/1/06	Closed	37.90%
Hired on or after 7/1/06	Closed	37.90%
Hired on or after 1/1/2011	Closed	37.90%
Hired on or after 7/1/15	Open	37.90%
Special Legislative Employees	Closed	43.70%
Wildlife Agents	Closed	46.60%
<b>Aggregate Rate</b>		<b>37.80%</b>

The City's contractually required composite contribution rate for the year ended May 31, 2019 was 40.1% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City were \$4,812 for the year ended May 31, 2019.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2019, the City reported a total of \$24,869,373 for its proportionate share of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	June 30, 2018	June 30, 2017
MERS	\$12,578,749	\$11,457,141
MPERS	7,187,956	7,084,284
FRS	5,057,929	4,910,985
LASERS	44,739	47,934
Total	\$24,869,373	\$23,500,344

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

The Net Pension Liabilities were measured as of June 30, 2018, and the total pension liability used to calculate the Net Pension Liabilities were determined by an actuarial valuation as of those dates. The City's proportion of the Net Pension Liabilities was based on the employer's contribution effort to the plan for the current fiscal year as compared to the total of all employers' contribution effort to the plan for the current fiscal year. At the measurement dates, the City's proportions of each were as follows:

Plan	Proportionate Share	
	June 30, 2018	June 30, 2017
MERS	3.03785%	2.73870%
MPERS	.85024%	.81145%
FRS	.87932%	.85679%
LASERS	.00066%	.00068%
Total	4.76807%	4.40762%

For the year ended May 31, 2019 and 2018, the City recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	June 30, 2018	June 30, 2017
MERS	\$1,932,509	\$1,623,011
MPERS	1,116,107	853,746
FRS	813,188	776,850
LASERS	3,809	4,610
Total	\$3,865,613	\$3,258,217

At May 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS		MPERS		FRS		LASERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	447,230	32,403	367,319	-	384,965	-	502	32,403	1,200,016
Changes in Assumptions	378,660	-	469,730	-	352,841	801	455	-	1,201,686	801
Net Difference between projected and actual earnings on pension plan	1,927,613	-	344,576	-	328,891	-	580	-	2,601,660	-
Changes in employer's proportion of beg NPL	677,525	235,926	268,901	55,728	102,752	278,646	92	1,151	1,049,270	571,451
Differences between employer and proportionate share of contributions	-	64,112	366	432	4,740	2,667	89	-	5,195	67,211
Subsequent Measurement Contributions	1,260,687	-	788,641	-	536,491	-	4,411	-	2,590,230	-
Total	4,244,485	747,268	1,904,617	423,479	1,325,715	667,079	5,627	1,653	7,480,444	1,839,479

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date in the amount of \$2,590,230, will be recognized as a reduction of the Net Pension Liabilities in the year May 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended May 31:	
2020	\$1,860,863
2021	1,224,904
2022	(123,743)
2023	55,785
2024	18,871
2025	19,055
Total	\$3,050,735

*Actuarial Assumptions*

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

<u>Assumptions</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost
Expected remaining service lives	3 years	4 years	7 years	3 years
Investment rate of return	7.275%	7.200%	7.300%	7.650%
Inflation rate	2.600%	2.600%	2.700%	2.750%
Salary increases	5.000%	Varies from 9.75% to 4.25% depending on years of service	Varies from 15% to 4.75% depending on years of service	Varies from 14.3% to 2.8% depending on type of member

Mortality rates for MERS were based on RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA were selected for annuitants and beneficiaries. RP-2000 Employees Sex Distinct Table set back 2 years for both males and females was selected for employees. RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 for females was selected for disabled annuitants. The actuarial assumptions used were based on the results of an experience study, for the period July 2009 through June 30, 2014.

Mortality rates for MPERS were based on RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members. The mortality rate assumptions used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

Mortality rates for FRS were based on RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employees, annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement. The mortality rate assumption was based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014.

Mortality rates for LASERS were based on RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 for non-disabled members. RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement for disabled members. Termination, disability, and retirement assumptions were based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2013.

The long-term expected rate of return on MERS, MPERS, FRS, and LASERS pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

<u>Asset Class</u>	MERS		MPERS		FRS		LASERS
	<u>Target Asset Alloc.</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Alloc.</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Alloc.</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50%	2.20%	52%	3.58%	54%	20.34%	9.57%
Public Fixed Income	35%	1.50%	22%	0.46%	26%	1.76%	3.72%
Alternatives	15%	0.60%	20%	1.07%	10%	13.11%	7.67%
Other	<u>0%</u>	<u>0.00%</u>	<u>6%</u>	<u>0.17%</u>	<u>10%</u>	9.20%	4.48%
Totals	<u>100%</u>	4.30%	<u>100%</u>	5.28%	<u>100%</u>		
Inflation		2.70%		2.75%			
Expected Nominal Return		<u>7.00%</u>		<u>8.03%</u>			

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

The discount rate used to measure the total pension liability was 7.275% for MERS, 7.2% for MPERS, 7.3% for FRS, and 7.65% for LASERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, MERS, MPERS, FRS, and LASERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City's proportionate share of the Net Pension Liabilities using the discount rates as shown above, as well as what the City's proportionate share of the Net Pension Liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS	\$16,158,551	\$12,578,749	\$9,523,263
MPERS	\$10,101,067	\$ 7,187,956	\$4,743,967
FRS	\$ 7,380,714	\$ 5,057,929	\$3,105,990
LAMPERS	\$ 56,463	\$ 44,739	\$ 34,641

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net positions are available in the separately issued financial statements of the Plans.

8. Pending Litigation/Contingencies

Various lawsuits are presently pending against the City of Natchitoches. 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.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

9. Cash and Investments

The cash and cash equivalents of the City are subject to the following risks:

*Custodial Credit Risk.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City 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 bank. 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 City 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 City's name.

*Interest Rate Risk.* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the City diversifies its investments by security type and institution.

*Credit Risk:* Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the City may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and investments are held separately by each of the City's funds. At May 31, 2019, cash and investments totaled \$34,775,346 (book balances), including \$4,810 cash on hand. Bank account and investment balances at May 31, 2019, totaled \$37,293,284, and of this amount \$4,059,509 was secured by government securities. The remaining amount was secured as follows: \$532,559 with FDIC insurance and \$32,701,216 with pledged securities.

10. Compensation of City Councilmen

A detail of compensation paid to individual council members for the year ended May 31, 2019 follows:

Don Mims	\$10,741
Charles Harrington	8,341
Sylvia Morrow	8,341
Dale A. Nielsen	8,341
Lawrence Batiste, Jr.	<u>8,341</u>
Total	<u>\$44,105</u>

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

### 11. Lease Agreements

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

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.

### 12. Receivables

The following is a summary of receivables at May 31, 2019:

<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	\$399,085	\$176,242	\$466,567	\$ 0	\$ 0
Intergovernmental-					
Federal	0	15,138	0	0	0
Local	24,835	0	25,000	0	0
Other Receivables	<u>2,800</u>	<u>364,362</u>	<u>0</u>	<u>3,190,142</u>	<u>34,457</u>
Total	<u>\$426,720</u>	<u>\$555,742</u>	<u>\$491,567</u>	<u>\$3,190,142</u>	<u>\$34,457</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.

### 13. Fund Deficits

The following individual funds have deficits in unassigned fund balances at May 31, 2019:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Funds-	
Employee Benefits	\$ 70,203
Events Center	6,650
BJA-Byrne JAG	416
Capital Projects Funds-	
Pilgrim's Industrial Park	74,034
Airport Maintenance	291,391
Airport Hangar	96,965
Capital Improvements-Streets	3,977,532
Chaplain's Lake Water System	12,793
Downtown Parking	57,218
Community Water Enrichment	20,236
LCDBG Sibley Lake Fund	71,825
LWCF-Park Natchitoches	26,119
Rue Beauport Riverfront	<u>209,491</u>
Total	<u>\$4,914,873</u>

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

Special Revenue Funds - These deficits will be funded by transfers from other funds in future years.

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 \$6,424,544, \$3,164,122 will be funded by the receipt of revenue receivables and the remaining balance will be funded by interfund transfers in future years.

14. Postemployment Health Care and Life Insurance Benefits

**General Information about the OPEB Plan**

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

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

*Employees covered by benefit terms* – At May 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	111
	130

**Total OPEB Liability**

The City’s total OPEB liability of \$5,196,017 was measured as of May 31, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the May 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	90% annually (Beginning of Year to Determine ADC) 3.56%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

14. Postemployment Health Care and Life Insurance Benefits, (continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of May 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Combined Table.

The actuarial assumptions used in the May 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to May 31, 2019.

**Changes in the Total OPEB Liability**

Balance at May 31, 2018	\$4,931,358
Changes for the year:	
Service cost	117,694
Interest	189,383
Differences between expected and actual experience	(83,992)
Changes in assumptions	192,335
Benefit payments and net transfers	(150,761)
Net changes	264,659
Balance at May 31, 2019	\$5,196,017

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

	<b>1.0% Decrease (2.56%)</b>	<b>Current Discount Rate (3.56%)</b>	<b>1.0% Increase (4.56%)</b>
Total OPEB liability	\$5,839,153	\$5,196,017	\$4,643,775

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current healthcare trend rates:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$4,606,953	\$5,196,017	\$5,882,108

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

14. Postemployment Health Care and Life Insurance Benefits, (continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended May 31, 2019, the City recognized OPEB expense of \$314,300. At May 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$(78,393)
Changes in assumptions	179,513	0
<b>Total</b>	<b>\$179,513</b>	<b>\$(78,393)</b>

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

Years ending May 31:

2019	\$ 7,223
2020	7,223
2021	7,223
2022	7,223

15. Taxable Revenue Bonds

- 1) 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 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, 2019, is \$25,000,000.

City of Natchitoches, Louisiana  
Notes to Financial Statements  
May 31, 2019

15. Taxable Revenue Bonds, (continued)

- 2) The City, for the year ended May 31, 2016, authorized the issuance of revenue bonds, not to exceed \$2,000,000, to provide financial assistance to Industrial Development Board (IDB), a private sector entity for the acquisition, construction, and equipping of an approximately 87-room hotel facility and parking facilities to be located within the geographical boundaries of the City, and to pay the costs of issuance of the note. The bonds are secured by pledge of IDB annual payment, the Economic Development District tax, and excess revenues and are payable solely by IDB.

Upon repayment of the bonds, ownership of the property and facilities transfer to the private-sector 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.

- 3) The City, for the year ended May 31, 2018, authorized the issuance of sales tax bonds, in the amount of \$12,500,000 to construct, acquire, and improve recreation facilities. The bonds are to be repaid with the existing one percent sales and use tax.
- 4) The City, for the year ended May 31, 2019, authorized the issuance of sales tax bonds Series 2019 in the amount of \$1,500,000 for the purposes of 1) 50% for constructing, acquiring, improving, operating and maintaining sewers and sewerage disposal works, and 2) 50% for constructing, acquiring and improving public streets, drainage, parks and recreation facilities and buildings.

16. 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 \$555,194 and the related expenditures are as follows:

City Marshal's Office	\$ 12,000
City Police Department	313,862
City Fire Department	<u>228,379</u>
Total	<u>\$554,241</u>

17. Change in Agency Fund Balance:

	<u>Balance</u> <u>06-01-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>05-31-19</u>
Cash Bond Fund	<u>\$68,228</u>	<u>\$415,096</u>	<u>\$426,650</u>	<u>\$56,674</u>

18. Subsequent Events:

Management has evaluated events through November 18, 2019, the date which the financial statements were available for issue. There were no items to be reported in subsequent events.

OTHER REQUIRED SUPPLEMENTARY 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, 2019

	<u>Budgeted Amounts</u>		2019	Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Taxes	\$ 5,394,275	\$ 5,394,275	\$ 5,211,853	\$ (182,422)
Licenses & Permits	898,150	898,150	921,317	23,167
Intergovernmental	1,222,080	1,222,080	1,202,945	(19,135)
Charges for Services	152,000	149,100	142,907	(6,193)
Fines & Forfeits	98,000	98,000	82,083	(15,917)
Miscellaneous	<u>201,200</u>	<u>201,200</u>	<u>357,178</u>	<u>155,978</u>
Total Revenues	<u>\$ 7,965,705</u>	<u>\$ 7,962,805</u>	<u>\$ 7,918,283</u>	<u>\$ (44,522)</u>
<b>EXPENDITURES:</b>				
Current-				
General Government	\$ 4,834,717	\$ 4,847,450	\$ 3,753,865	\$1,093,585
Public Safety	9,186,193	9,319,072	9,403,194	(84,122)
Streets & Sanitation	1,522,855	1,429,805	1,394,269	35,536
Economic Development	0	0	328,208	(328,208)
Health & Welfare	177,659	177,999	806,599	(628,600)
Recreation & Culture	<u>846,283</u>	<u>811,163</u>	<u>238,203</u>	<u>572,960</u>
Total Expenditures	<u>\$16,567,707</u>	<u>\$16,585,489</u>	<u>\$15,924,338</u>	<u>\$ 661,151</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (8,602,002)</u>	<u>\$ (8,622,684)</u>	<u>\$ (8,006,055)</u>	<u>\$ 616,629</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 8,599,972	\$ 8,690,427	\$ 8,541,580	\$ (148,847)
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(505,320)</u>	<u>(505,320)</u>
Total Other Financing	<u>\$ 8,599,972</u>	<u>\$ 8,690,427</u>	<u>\$ 8,036,260</u>	<u>\$ (654,167)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (2,030)	\$ 67,743	\$ 30,205	\$ (37,538)
Fund Balance-Beginning of Year	<u>2,244,051</u>	<u>2,244,051</u>	<u>2,244,051</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 2,242,021</u>	<u>\$ 2,311,794</u>	<u>\$ 2,274,256</u>	<u>\$ (37,538)</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended May 31, 2019

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Municipal Employees' Retirement System</i>					
2015	3.09799%	\$ 7,950,809	\$5,203,681	162%	76.0%
2016	3.06552%	10,950,507	5,320,472	205%	99.0%
2017	2.96389%	12,148,126	5,000,995	243%	68.0%
2018	2.73870%	11,457,141	5,183,740	221%	62.5%
2019	3.03785%	12,578,749	5,258,704	239%	63.9%
<i>Municipal Police Employees' Retirement System</i>					
2015	0.82564%	\$ 5,165,265	\$2,128,064	243%	76.0%
2016	0.80252%	6,286,906	2,288,592	275%	99.0%
2017	0.82607%	7,742,566	2,403,928	322%	68.0%
2018	0.81145%	7,084,284	2,511,282	282%	70.1%
2019	0.85024%	7,187,956	2,639,447	272%	71.9%
<i>Firefighters' Retirement System</i>					
2015	0.94139%	\$ 4,189,091	\$1,984,426	211%	76.0%
2016	0.93739%	5,059,199	1,972,602	256%	99.0%
2017	0.87280%	5,708,921	1,995,627	286%	68.0%
2018	0.85679%	4,910,985	2,084,942	236%	74.0%
2019	0.87932%	5,057,929	2,190,804	231%	74.8%
<i>LA State Employees' Retirement System</i>					
2015	0.00067%	\$ 41,707	\$ 12,000	348%	65.0%
2016	0.00065%	44,074	12,000	367%	62.7%
2017	0.00068%	53,162	12,000	443%	57.7%
2018	0.00068%	47,934	12,000	399%	62.5%
2019	0.00066%	44,739	12,000	373%	64.3%

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

City of Natchitoches, Louisiana  
Schedule of Employer Contributions  
For the Year Ended May 31, 2019

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Municipal Employees' Retirement System</i>					
2015	\$ 952,580	\$ 952,580	\$0	\$5,203,681	18.3%
2016	1,050,139	1,050,139	0	5,320,472	19.7%
2017	1,114,803	1,114,803	0	5,000,995	22.3%
2018	1,277,497	1,277,497	0	5,183,740	24.6%
2019	1,361,044	1,361,044	0	5,258,704	25.9%
<i>Municipal Police Employees' Retirement System</i>					
2015	\$ 616,246	\$ 616,246	\$0	\$2,128,064	29.0%
2016	688,039	688,039	0	2,288,592	30.1%
2017	760,372	760,372	0	2,403,928	31.6%
2018	776,220	776,220	0	2,511,282	30.9%
2019	848,524	848,524	0	2,639,447	32.1%
<i>Firefighters' Retirement System</i>					
2015	\$ 537,080	\$ 537,080	\$0	\$1,984,426	27.1%
2016	540,653	540,653	0	1,972,602	27.4%
2017	506,380	506,380	0	1,995,627	25.4%
2018	550,900	550,900	0	2,084,942	26.4%
2019	580,563	580,563	0	2,190,804	26.5%
<i>LA State Employees' Retirement System</i>					
2015	\$ 4,157	\$ 4,157	\$0	\$ 12,000	34.6%
2016	4,594	4,594	0	12,000	38.3%
2017	4,813	4,813	0	12,000	40.1%
2018	4,770	4,770	0	12,000	39.8%
2019	4,812	4,812	0	12,000	40.1%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended May 31, 2019.

See independent auditors' report and notes to financial statements.

City of Natchitoches, Louisiana  
Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended May 31, 2019

<b>Total OPEB liability</b>	
Service cost	\$ 117,694
Interest	189,383
Changes of benefit terms	-
Differences between expected and actual experience	(83,992)
Changes of assumptions	192,335
Benefit Payments	<u>(150,761)</u>
<b>Net Change in total OPEB liability</b>	<b>\$ 264,659</b>
<b>Total OPEB liability - beginning</b>	<u>4,931,358</u>
<b>Total OPEB liability - ending (a)</b>	<u><b>\$ 5,196,017</b></u>
Covered-employee payroll	<u>\$ 9,086,471</u>
Net OPEB liability as a percentage of covered-employee payroll	57.18%

**Notes to Schedule:**

*Benefit Changes.* There were no changes of benefit terms for the year ended May 31, 2019.

*Changes of Assumptions.* The discount rate as of 5/31/2018 was 3.90% and it changed to 3.56% as of 5/31/2019.

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

City of Natchitoches, Louisiana  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended May 31, 2019

Agency Head Name: Lee Posey, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 93,406
Benefits-Insurance	6,521
Benefits-Retirement	24,064
Deferred Compensation	0
Benefits-Other (Expense Allowance)	8,000
Car allowance	0
Vehicle provided by government	19,445
Cell phone	2,245
Dues	4,057
Vehicle rental	0
Per Diem	0
Reimbursements (fuel & auto)	1,682
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	1,228
Other	<u>0</u>
Total	<u>\$160,648</u>

See independent auditor's report.

OTHER SUPPLEMENTARY SCHEDULES

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Balance Sheet  
May 31, 2019

	Special Revenue Funds				
	Event Center Operations Fund	Hazard Tax Fund	Airport Fund	Employee Benefits Fund	Workman's Compensation Fund
<u>Assets</u>					
Cash & Cash Equivalents	\$ 0	\$859,510	\$173,593	\$ 20,077	\$350,917
Revenue Receivables	144	0	7,454	508	0
Due from Other Funds	0	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>1,667</u>	<u>33</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 144</u>	<u>\$861,177</u>	<u>\$181,080</u>	<u>\$ 20,585</u>	<u>\$350,917</u>
<u>Liabilities &amp; Fund Balances</u>					
Liabilities-					
Cash Overdraft	\$ 6,794	\$ 0	\$ 0	\$ 90,788	\$ 8
Accounts Payable	0	0	4,512	0	1,153
Accrued Expenses	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Accrued Payroll	<u>0</u>	<u>0</u>	<u>5,461</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 6,794</u>	<u>\$ 0</u>	<u>\$ 9,973</u>	<u>\$ 90,788</u>	<u>\$ 1,161</u>
Fund Balances-					
Nonspendable	\$ 0	\$ 1,667	\$ 33	\$ 0	\$ 0
Restricted	0	859,510	0	0	0
Committed	0	0	171,074	0	349,756
Unassigned	<u>(6,650)</u>	<u>0</u>	<u>0</u>	<u>(70,203)</u>	<u>0</u>
Total Fund Balances	<u>\$(6,650)</u>	<u>\$861,177</u>	<u>\$171,107</u>	<u>\$(70,203)</u>	<u>\$349,756</u>
Total Liabilities & Fund Balances	<u>\$ 144</u>	<u>\$861,177</u>	<u>\$181,080</u>	<u>\$ 20,585</u>	<u>\$350,917</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds							
Drug Recovery Fund	Multi-Drug Task Force Fund	Prisoner Bond Fund	911 Grant Fire Fund	Animal Shelter Fund	Liability Insurance Fund	Main Street Promotions Fund	Cane River Green Market Fund
\$72,365	\$23,633	\$44,413	\$91,913	\$42,196	\$234,226	\$103,485	\$7,087
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$72,365</u>	<u>\$23,633</u>	<u>\$44,413</u>	<u>\$91,913</u>	<u>\$42,196</u>	<u>\$234,226</u>	<u>\$103,485</u>	<u>\$7,087</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0	578
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 578</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	23,633	44,413	0	0	0	0	0
72,365	0	0	91,913	42,196	234,226	103,485	6,509
<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>\$72,365</u>	<u>\$23,633</u>	<u>\$44,413</u>	<u>\$91,913</u>	<u>\$42,196</u>	<u>\$234,226</u>	<u>\$103,485</u>	<u>\$6,509</u>
<u>\$72,365</u>	<u>\$23,633</u>	<u>\$44,413</u>	<u>\$91,913</u>	<u>\$42,196</u>	<u>\$234,226</u>	<u>\$103,485</u>	<u>\$7,087</u>

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Balance Sheet  
May 31, 2019

	Special Revenue Funds				
	LLEBG Grant Fund	911-Police Grant Fund	NW Law Enforcement Fund	Knock-Knock Grant Fund	Economic Development District
<u>Assets</u>					
Cash & Cash Equivalents	\$14,136	\$71,505	\$3,800	\$824	\$383,388
Revenue Receivables	0	0	0	0	24,954
Due from Other Funds	0	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$14,136</u>	<u>\$71,505</u>	<u>\$3,800</u>	<u>\$824</u>	<u>\$408,342</u>
<u>Liabilities &amp; Fund Balances</u>					
Liabilities-					
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0	0	0
Accrued Expenses	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Accrued Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances-					
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	14,136	0	0	824	0
Committed	0	71,505	3,800	0	408,342
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$14,136</u>	<u>\$71,505</u>	<u>\$3,800</u>	<u>\$824</u>	<u>\$408,342</u>
Total Liabilities & Fund Balances	<u>\$14,136</u>	<u>\$71,505</u>	<u>\$3,800</u>	<u>\$824</u>	<u>\$408,342</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds						
<u>State Office of Culture Development</u>	<u>Garbage Service Fund</u>	<u>Sales Tax Police Fund</u>	<u>Miss Merry Christmas Fund</u>	<u>Keep Louisiana Beautiful</u>	<u>SWAT Fund</u>	<u>LAC/Traffic Enforcement Fund</u>
\$8,398	\$164,718	\$680,260	\$18,756	\$500	\$147	\$1,436
0	351,126	176,240	0	0	0	0
0	0	0	0	0	0	0
0	0	19,500	0	0	0	0
<u>\$8,398</u>	<u>\$515,844</u>	<u>\$876,000</u>	<u>\$18,756</u>	<u>\$500</u>	<u>\$147</u>	<u>\$1,436</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	157,575	0	0	0	0	0
0	0	66,788	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$157,575</u>	<u>\$ 66,788</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 19,500	\$ 0	\$ 0	\$ 0	\$ 0
8,398	358,269	0	18,756	500	147	1,436
0	0	0	0	0	0	0
<u>\$8,398</u>	<u>\$358,269</u>	<u>\$809,212</u>	<u>\$18,756</u>	<u>\$500</u>	<u>\$147</u>	<u>\$1,436</u>
<u>\$8,398</u>	<u>\$515,844</u>	<u>\$876,000</u>	<u>\$18,756</u>	<u>\$500</u>	<u>\$147</u>	<u>\$1,436</u>

Continued on next page.

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Balance Sheet  
May 31, 2019

	Special Revenue Funds				
	Community Program Fund	BJA Byrne Jag-Police & NPSO	BJA Byrne Jag-Tech Upgrade	NHDDC Projects Fund	2015 Revenue Note Reserve Fund
<u>Assets</u>					
Cash & Cash Equivalents	\$59,148	\$ 0	\$ 0	\$4,258	\$92,500
Revenue Receivables	0	15,138	0	0	0
Due from Other Funds	0	0	0	0	0
Prepaid Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$59,148</u>	<u>\$15,138</u>	<u>\$ 0</u>	<u>\$4,258</u>	<u>\$92,500</u>
<u>Liabilities &amp; Fund Balances</u>					
Liabilities-					
Cash Overdraft	\$ 0	\$15,138	\$ 416	\$ 0	\$91,771
Accounts Payable	779	0	0	0	0
Accrued Expenses	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Accrued Payroll	<u>3,525</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 4,304</u>	<u>\$15,138</u>	<u>\$ 416</u>	<u>\$ 0</u>	<u>\$91,771</u>
Fund Balances-					
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	0	0	0	0
Committed	54,844	0	0	4,258	0
Unassigned	<u>0</u>	<u>0</u>	<u>(416)</u>	<u>0</u>	<u>729</u>
Total Fund Balances	<u>\$54,844</u>	<u>\$ 0</u>	<u>\$(416)</u>	<u>\$4,258</u>	<u>\$ 729</u>
Total Liabilities & Fund Balances	<u>\$59,148</u>	<u>\$15,138</u>	<u>\$ 0</u>	<u>\$4,258</u>	<u>\$92,500</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds					
Domestic Violence Fund	Rapides Foundation Fund	Equitable Sharing Program Fund	Historic Preservation Fund	Sales Tax Rededication Fund	Sports Complex Operating Fund
\$ 0	\$22,225	\$22,783	\$313	\$1,996,943	\$65,000
5,131	0	0	0	176,240	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$5,131</u>	<u>\$22,225</u>	<u>\$22,783</u>	<u>\$313</u>	<u>\$2,173,183</u>	<u>\$65,000</u>
\$5,131	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	2,250	0	0	65,403	0
0	2,322	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$5,131</u>	<u>\$ 4,572</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,403</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	17,653	22,783	313	2,107,780	65,000
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$17,653</u>	<u>\$22,783</u>	<u>\$313</u>	<u>\$2,107,780</u>	<u>\$65,000</u>
<u>\$5,131</u>	<u>\$22,225</u>	<u>\$22,783</u>	<u>\$313</u>	<u>\$2,173,183</u>	<u>\$65,000</u>

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Balance Sheet  
May 31, 2019

	Capital Projects Funds			
	Capital Improvements Fund	DOTD Gateway Phase II Fund	Water Treatment Plant Fund	Pilgrim's Industrial Park Fund
<u>Assets</u>				
Cash & Cash Equivalents	\$2,538,044	\$32,250	\$1,413,021	\$ 0
Revenue Receivables	114,134	0	0	0
Due from Other Funds	0	0	0	0
Prepaid Expenses	0	0	117,179	0
Total Assets	<u>\$2,652,178</u>	<u>\$32,250</u>	<u>\$1,530,200</u>	<u>\$ 0</u>
<u>Liabilities &amp; Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 24,034
Accounts Payable	24,931	0	0	0
Accrued Expenses	0	0	50,543	50,000
Due to Other Funds	0	0	0	0
Accrued Payroll	0	0	0	0
Total Liabilities	<u>\$ 24,931</u>	<u>\$ 0</u>	<u>\$ 50,543</u>	<u>\$ 74,034</u>
Fund Balances-				
Nonspendable	\$ 0	\$ 0	\$ 117,179	\$ 0
Restricted	0	32,250	1,362,478	0
Committed	2,627,247	0	0	0
Unassigned	0	0	0	(74,034)
Total Fund Balances	<u>\$2,627,247</u>	<u>\$32,250</u>	<u>\$1,479,657</u>	<u>\$(74,034)</u>
Total Liabilities & Fund Balances	<u>\$2,652,178</u>	<u>\$32,250</u>	<u>\$1,530,200</u>	<u>\$ 0</u>

See independent auditors' report and notes to financial statements.

Capital Projects Funds							
Airport Hangar Fund	Airport Maintenance Fund	Parking Lot Fund	LCDBG Sibley Lake Fund	Community Water Enrichment	Texas & PAC Railway Depot	Chaplain's Lake Fund	Chateau St. Denis Fund
\$ 0	\$ 45,745	\$ 0	\$ 0	\$ 0	\$1,223	\$ 0	\$9,952
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	12,275	0
<u>\$ 0</u>	<u>\$ 45,745</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,223</u>	<u>\$ 12,275</u>	<u>\$9,952</u>
\$ 96,965	\$ 337,136	\$ 57,218	\$ 71,825	\$ 20,236	\$ 0	\$ 2,896	\$ 0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	22,172	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$ 96,965</u>	<u>\$ 337,136</u>	<u>\$ 57,218</u>	<u>\$ 71,825</u>	<u>\$ 20,236</u>	<u>\$ 0</u>	<u>\$ 25,068</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0	0
0	0	0	0	0	1,223	0	9,952
(96,965)	(291,391)	(57,218)	(71,825)	(20,236)	0	(12,793)	0
<u>\$(96,965)</u>	<u>\$(291,391)</u>	<u>\$(57,218)</u>	<u>\$(71,825)</u>	<u>\$(20,236)</u>	<u>\$1,223</u>	<u>\$(12,793)</u>	<u>\$9,952</u>
<u>\$ 0</u>	<u>\$ 45,745</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,223</u>	<u>\$ 12,275</u>	<u>\$9,952</u>

Continued on next page.

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Balance Sheet  
May 31, 2019

	Capital Projects Funds				Total
	LWCF-PARC Natchitoches Depot	Rue Beauport Riverfront Fund	Debt Service Sales Tax Fund	Debt Service General Obligations Fund	
<u>Assets</u>					
Cash & Cash Equivalents	\$ 0	\$ 0	\$227,189	\$1,266,892	\$11,168,769
Revenue Receivables	0	0	0	0	871,069
Due from Other Funds	0	0	0	0	0
Prepaid Expenses	0	0	0	0	150,654
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$227,189</u>	<u>\$1,266,892</u>	<u>\$12,190,492</u>
<u>Liabilities &amp; Fund Balances</u>					
Liabilities-					
Cash Overdraft	\$ 26,119	\$ 209,491	\$ 0	\$ 0	\$ 1,055,966
Accounts Payable	0	0	0	0	257,181
Accrued Expenses	0	0	0	0	191,825
Due to Other Funds	0	0	0	0	0
Accrued Payroll	0	0	0	0	8,986
Total Liabilities	<u>\$ 26,119</u>	<u>\$ 209,491</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,513,958</u>
Fund Balances-					
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 138,379
Restricted	0	0	0	0	5,234,736
Committed	0	0	227,189	1,266,892	6,240,031
Unassigned	(26,119)	(209,491)	0	0	(936,612)
Total Fund Balances	<u>\$(26,119)</u>	<u>\$(209,491)</u>	<u>\$227,189</u>	<u>\$1,266,892</u>	<u>\$10,676,534</u>
Total Liabilities & Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$227,189</u>	<u>\$1,266,892</u>	<u>\$12,190,492</u>

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Year Ended May 31, 2019

	Special Revenue Funds				
	Event Center Operations Fund	Hazard Tax Fund	Airport Fund	Employee Benefits Fund	Workman's Compensation Fund
<b>REVENUES:</b>					
Taxes	\$ 0	\$ 1,253,050	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	0	0
Charges for Services	0	0	413,808	0	0
Fines & Forfeits	0	0	0	0	0
Miscellaneous	0	27	86,648	3,248	86,807
Total Revenues	<u>\$ 0</u>	<u>\$ 1,253,077</u>	<u>\$500,456</u>	<u>\$ 3,248</u>	<u>\$ 86,807</u>
<b>EXPENDITURES:</b>					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 579,631	\$ 0
Public Safety	0	635,472	0	0	0
Streets & Sanitation	0	0	0	0	0
Water, Sewer & Utilities	0	0	0	0	0
Economic Development	38,148	0	540,173	0	0
Recreation & Culture	0	0	0	0	0
Health & Welfare	0	0	0	0	0
Debt Service	0	29,700	0	0	0
Total Expenditures	<u>\$ 38,148</u>	<u>\$ 665,172</u>	<u>\$540,173</u>	<u>\$ 579,631</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(38,148)</u>	<u>\$ 587,905</u>	<u>\$(39,717)</u>	<u>\$(576,383)</u>	<u>\$ 86,807</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance Proceeds	\$ 0	\$ 290,000	\$ 0	\$ 0	\$ 0
Debt Proceeds	0	515,824	0	0	0
Sales of Property	0	0	91,465	0	0
Operating Transfers In	0	0	51,250	600,000	121,867
Operating Transfers Out	0	(1,263,920)	0	0	(123,020)
Total Other Financing	<u>\$ 0</u>	<u>\$ (458,096)</u>	<u>\$142,715</u>	<u>\$ 600,000</u>	<u>\$ (1,53)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$(38,148)</u>	<u>\$ 129,809</u>	<u>\$102,998</u>	<u>\$ 23,617</u>	<u>\$ 85,654</u>
Fund Balances-Beginning of Year	<u>31,498</u>	<u>731,368</u>	<u>68,109</u>	<u>(93,820)</u>	<u>264,102</u>
Fund Balances-End of Year	<u>\$(6,650)</u>	<u>\$ 861,177</u>	<u>\$171,107</u>	<u>\$(70,203)</u>	<u>\$ 349,756</u>

See independent auditors' report and notes to financial statements..

Special Revenue Funds							
Drug Recovery Fund	Multi-Drug Task Force Fund	Prisoner Bond Fund	911 Grant Fire Fund	Animal Shelter Fund	Liability Insurance Fund	Main Street Promotions Fund	Cane River Green Market Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	750	0	0	0	0	0	11,000
0	0	0	0	20,559	0	0	0
0	0	43,571	0	0	0	0	0
<u>42,127</u>	<u>0</u>	<u>3,566</u>	<u>1,662</u>	<u>0</u>	<u>22,722</u>	<u>11,865</u>	<u>10,371</u>
<u>\$ 42,127</u>	<u>\$ 750</u>	<u>\$47,137</u>	<u>\$ 1,662</u>	<u>\$20,559</u>	<u>\$ 22,722</u>	<u>\$ 11,865</u>	<u>\$21,371</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 887,896	\$ 0	\$ 0
61,070	1,913	32,645	0	5,356	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	17,439
0	0	0	0	0	0	10,802	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>\$ 61,070</u>	<u>\$ 1,913</u>	<u>\$32,645</u>	<u>\$ 0</u>	<u>\$ 5,356</u>	<u>\$ 887,896</u>	<u>\$ 10,802</u>	<u>\$17,439</u>
<u>\$(18,943)</u>	<u>\$ (1,163)</u>	<u>\$ 7,037</u>	<u>\$ 1,662</u>	<u>\$15,203</u>	<u>\$(865,174)</u>	<u>\$ 1,063</u>	<u>\$ 3,932</u>
\$ 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	849,000	0	375
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 849,000</u>	<u>\$ 0</u>	<u>\$ 375</u>
<u>\$(18,943)</u>	<u>\$ (1,163)</u>	<u>\$14,492</u>	<u>\$ 1,662</u>	<u>\$15,203</u>	<u>\$ (16,174)</u>	<u>\$ 1,063</u>	<u>\$ 4,307</u>
<u>91,308</u>	<u>24,796</u>	<u>29,921</u>	<u>90,251</u>	<u>26,993</u>	<u>250,400</u>	<u>102,422</u>	<u>2,202</u>
<u>\$ 72,365</u>	<u>\$23,633</u>	<u>\$44,413</u>	<u>\$91,913</u>	<u>\$42,196</u>	<u>\$ 234,226</u>	<u>\$103,485</u>	<u>\$ 6,509</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, 2019

	Special Revenue Funds				
	LLEBG Grant Fund	911-Police Grant Fund	NW Law Enforcement Fund	Knock-Knock Grant Fund	Economic Development District
<b>REVENUES:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 228,849
Intergovernmental	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>142,430</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$3,000</u>	<u>\$ 0</u>	<u>\$ 371,279</u>
<b>EXPENDITURES:</b>					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	4,869	0	0	0
Streets & Sanitation	0	0	0	0	0
Water, Sewer & Utilities	0	0	0	0	0
Economic Development	0	0	0	0	9,245
Recreation & Culture	0	0	0	0	0
Health & Welfare	0	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 4,869</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,245</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ (4,869)</u>	<u>\$3,000</u>	<u>\$ 0</u>	<u>\$ 362,034</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance Proceeds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Debt Proceeds	0	0	0	0	0
Sale of Property	0	0	0	0	0
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(202,204)</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(202,204)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ (4,869)	\$3,000	\$ 0	\$ 159,830
Fund Balances-Beginning of Year	<u>14,136</u>	<u>76,374</u>	<u>800</u>	<u>824</u>	<u>248,512</u>
Fund Balances-End of Year	<u>\$14,136</u>	<u>\$71,505</u>	<u>\$3,880</u>	<u>\$824</u>	<u>\$ 408,342</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds						
State Office of Culture Development	Garbage Service Fund	Sales Tax Police Fund	Miss Merry Christmas Fund	Keep Louisiana Beautiful	SWAT Fund	LAC/Traffic Enforcement Fund
\$ 0	\$ 0	\$ 1,971,702	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	500	0	0
0	1,991,473	0	0	0	0	0
0	0	0	0	0	0	13,407
<u>0</u>	<u>0</u>	<u>24,326</u>	<u>2,245</u>	<u>0</u>	<u>14,000</u>	<u>0</u>
<u>\$ 0</u>	<u>\$1,991,473</u>	<u>\$ 1,996,028</u>	<u>\$ 2,245</u>	<u>\$ 500</u>	<u>\$14,000</u>	<u>\$13,407</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	520,725	0	0	13,853	14,445
0	1,873,496	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	5,114	0	0
0	0	0	4,500	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>88,834</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$1,873,496</u>	<u>\$ 609,559</u>	<u>\$ 4,500</u>	<u>\$ 5,114</u>	<u>\$13,853</u>	<u>\$14,445</u>
\$ 0	\$ 117,977	\$ 1,386,469	\$ (2,255)	\$ (4,614)	\$ 147	\$ (1,038)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	349,927	0	0	0	0
0	0	0	0	0	0	0
0	0	0	12,300	0	0	0
<u>0</u>	<u>0</u>	<u>(1,782,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(1,432,073)</u>	<u>\$12,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 117,977	\$ (45,604)	\$10,045	\$ (4,614)	\$ 147	\$ (1,038)
<u>8,398</u>	<u>240,292</u>	<u>854,816</u>	<u>8,711</u>	<u>5,114</u>	<u>0</u>	<u>2,474</u>
<u>\$8,398</u>	<u>\$ 358,269</u>	<u>\$ 809,212</u>	<u>\$18,756</u>	<u>\$ 500</u>	<u>\$ 147</u>	<u>\$ 1,436</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, 2019

	Special Revenue Funds				
	Community Program Fund	BJA Byrne Jag-Police & NPSO	BJA Byrne Jag-Tech Upgrade	NHDDC Projects Fund	2015 Revenue Note Reserve Fund
<b>REVENUES:</b>					
Taxes	\$ 0	\$0	\$ 0	\$ 0	\$ 0
Intergovernmental	26,753	0	0	0	0
Charges for Services	30,015	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Miscellaneous	<u>2,440</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 59,208</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>EXPENDITURES:</b>					
Current-					
General Government	\$ 0	\$0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0
Streets & Sanitation	0	0	0	0	0
Water, Sewer & Utilities	0	0	0	0	0
Economic Development	91,542	0	0	0	0
Recreation & Culture	0	0	0	0	0
Health & Welfare	0	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>185,271</u>
Total Expenditures	<u>\$ 91,542</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 185,271</u>
Excess (Deficiency) of Revenues over Expenditures	\$(32,334)	\$0	\$ 0	\$ 0	\$(185,271)
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance Proceeds	\$ 0	\$0	\$ 0	\$ 0	\$ 0
Debt Proceeds	0	0	0	0	0
Sale of Property	0	0	0	0	0
Operating Transfers In	45,625	0	0	0	202,204
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 45,625</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 202,204</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 13,291	\$0	\$ 0	\$ 0	\$ 16,933
Fund Balances-Beginning of Year	<u>41,553</u>	<u>0</u>	<u>(416)</u>	<u>4,258</u>	<u>(16,204)</u>
Fund Balances-End of Year	<u>\$ 54,844</u>	<u>\$0</u>	<u>\$(416)</u>	<u>\$4,258</u>	<u>\$ 729</u>

See independent auditors' report and notes to financial statements.

Special Revenue Funds					
Domestic Violence Fund	Rapides Foundation Fund	Equitable Sharing Program Fund	Historic Preservation Fund	Sales Tax Rededication Fund	Sports Complex Operating Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,971,703	\$ 0
15,613	100,000	0	0	0	65,000
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>\$15,613</u>	<u>\$100,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,971,703</u>	<u>\$65,000</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
7,842	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	533,710	0
0	95,453	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>\$ 7,842</u>	<u>\$ 95,453</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 533,710</u>	<u>\$ 0</u>
\$ 7,771	\$ 4,547	\$ 0	\$ 0	\$ 1,437,993	\$65,000
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	500	0	0	493,687	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,142,055)</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(1,648,368)</u>	<u>\$ 0</u>
\$ 7,771	\$ 5,047	\$ 0	\$ 0	\$ (210,375)	\$65,000
<u>(7,771)</u>	<u>12,606</u>	<u>22,783</u>	<u>313</u>	<u>2,318,155</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 17,653</u>	<u>\$22,783</u>	<u>\$313</u>	<u>\$ 2,107,780</u>	<u>\$65,000</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, 2019

	Capital Projects Funds			
	Capital Improvements Fund	DOTD Gateway Phase II Fund	Water Treatment Plant Fund	Pilgrim's Industrial Park Fund
<b>REVENUES:</b>				
Taxes	\$ 498,552	\$ 0	\$ 0	\$ 0
Intergovernmental	50,390	0	0	0
Charges for Services	0	0	0	0
Fines & Forfeits	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>4,218</u>	<u>71,549</u>
Total Revenues	<u>\$ 548,942</u>	<u>\$ 0</u>	<u>\$ 4,218</u>	<u>\$ 71,549</u>
<b>EXPENDITURES:</b>				
Current-				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	763,945	0	0	0
Recreation & Culture	0	0	0	0
Health & Welfare	0	0	0	0
Debt Service	<u>90,000</u>	<u>0</u>	<u>296,085</u>	<u>0</u>
Total Expenditures	<u>\$ 853,145</u>	<u>\$ 0</u>	<u>\$ 296,085</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (304,203)</u>	<u>\$ 0</u>	<u>\$ (291,867)</u>	<u>\$ 71,549</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance Proceeds	\$ 0	\$ 0	\$ 0	\$ 0
Debt Proceeds	290,000	0	0	0
Sale of Property	0	0	0	0
Operating Transfers In	300,000	0	296,085	0
Operating Transfers Out	<u>(500,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ 296,085</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (214,203)</u>	<u>\$ 0</u>	<u>\$ 4,218</u>	<u>\$ 71,549</u>
Fund Balances-Beginning of Year	<u>2,841,450</u>	<u>32,250</u>	<u>1,475,439</u>	<u>(145,583)</u>
Fund Balances-End of Year	<u>\$2,627,247</u>	<u>\$32,250</u>	<u>\$1,479,657</u>	<u>\$ (74,034)</u>

See independent auditors' report and notes to financial statements.

Capital Projects Funds							
Airport Hangar Fund	Airport Maintenance Fund	Parking Lot Fund	LCDBG Sibley Lake Fund	Community Water Enrichment	Texas & PAC Railway Depot	Chaplain's Lake Fund	Chateau St. Denis Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	272,296	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>3,240</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>184</u>
\$ <u>3,240</u>	\$ <u>272,296</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>184</u>
\$ 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	1,979,219	20,236	0	0	0
0	367,383	0	0	0	0	0	16
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>98,770</u>	<u>0</u>
\$ <u>0</u>	\$ <u>367,383</u>	\$ <u>0</u>	\$ <u>1,979,219</u>	\$ <u>20,236</u>	\$ <u>0</u>	\$ <u>98,770</u>	\$ <u>16</u>
\$ <u>3,240</u>	\$ <u>(95,087)</u>	\$ <u>0</u>	\$ <u>(1,979,219)</u>	\$ <u>(20,236)</u>	\$ <u>0</u>	\$ <u>(98,770)</u>	\$ <u>168</u>
\$ 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	799,903	0	0	98,770	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>799,903</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>98,770</u>	\$ <u>0</u>
\$ 3,240	\$ (95,087)	\$ 0	\$ (1,179,316)	\$ (20,236)	\$ 0	\$ 0	\$ 168
(100,205)	(196,304)	(57,218)	1,107,491	0	1,223	(12,793)	9,784
\$ <u>(96,965)</u>	\$ <u>(291,391)</u>	\$ <u>(57,218)</u>	\$ <u>(71,825)</u>	\$ <u>(20,236)</u>	\$ <u>1,223</u>	\$ <u>(12,793)</u>	\$ <u>9,952</u>

City of Natchitoches, Louisiana  
Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Year Ended May 31, 2019

	Capital Projects Funds				
	LWCF-PARC	Rue Beauport	Debt Service	Debt Service	Total
	Natchitoches Depot	Riverfront Fund	Sales Tax Fund	General Obligations Fund	
<b>REVENUES:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,923,856
Intergovernmental	0	0	0	0	542,302
Charges for Services	0	0	0	0	2,455,855
Fines & Forfeits	0	0	0	0	56,978
Miscellaneous	0	0	0	636	537,311
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 636	\$ 9,516,302
<b>EXPENDITURES:</b>					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,467,527
Public Safety	0	0	0	0	1,298,190
Streets & Sanitation	0	0	0	0	1,873,496
Water, Sewer & Utilities	0	0	0	0	1,999,455
Economic Development	26,119	201,143	0	0	2,593,177
Recreation & Culture	0	0	0	0	110,755
Health & Welfare	0	0	0	0	0
Debt Service	0	0	1,079,867	0	1,868,527
Total Expenditures	\$ 26,119	\$ 201,143	\$ 1,079,867	\$ 0	\$ 11,211,127
Excess (Deficiency) of Revenues over Expenditures	\$ (26,119)	\$ (201,143)	\$ (1,079,867)	\$ 636	\$ (1,694,825)
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance Proceeds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 290,000
Debt Proceeds	0	0	0	0	1,155,751
Sale of Property	0	0	0	0	91,465
Operating Transfers In	0	0	1,307,056	1,266,256	6,444,878
Operating Transfers Out	(493,687)	0	0	0	(6,506,886)
Total Other Financing	\$ (493,687)	\$ 0	\$ 1,307,056	\$ 1,266,256	\$ 1,475,208
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (519,806)	\$ (201,143)	\$ 227,189	\$ 1,266,892	\$ (219,617)
Fund Balances-Beginning of Year	493,687	(8,348)	0	0	10,896,151
Fund Balances-End of Year	\$ (26,119)	\$ (209,491)	\$ 227,189	\$ 1,266,892	\$ 10,676,534

See independent auditors' report and notes to financial statements.

OTHER REPORTS/SCHEDULES

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*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

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447  
[www.tcbtcpa.com](http://www.tcbtcpa.com)

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

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, 2019, 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 November 18, 2019.

**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.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

November 18, 2019

City of Natchitoches, Louisiana  
Schedule of Audit Results  
Year Ended May 31, 2019

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with the Uniform Guidance:

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, 2019.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*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

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447  
[www.tcbtcpa.com](http://www.tcbtcpa.com)

To the Mayor and the City Council of  
Natchitoches, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Mayor and City Council of the City of Natchitoches, Louisiana (the “City”) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period June 1, 2018 through May 31, 2019. The City is responsible for those C/C areas identified in the SAUPs.

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

Our procedures and associated findings are enumerated below.

***Written Policies and Procedures***

---

1. We obtained and inspected the entity’s written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - ***Disbursements***, including processing, reviewing, and approving.
  - ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)
  - ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

a) *Procedure Results - We noted no exceptions.*

#### ***Board (or Finance Committee, if applicable)***

---

2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
  - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - For governmental entities, obtained the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

a) *Procedure Results – We noted no exceptions.*

#### ***Bank Reconciliations***

---

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
  - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and

- Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

a) *Procedure Results – We noted no exceptions.*

### ***Collections***

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. We obtained supporting documentation for each of the deposits selected and:
  - We observed that receipts are sequentially pre-numbered.
  - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - We traced the deposit slip total to the actual deposit per the bank statement.
  - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - We traced the actual deposit per the bank statement to the general ledger.

a) *Procedure Results – We noted no exceptions.*

***Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
  - We observed that the disbursement matched the related original invoice/billing statement.
  - We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

a) *Procedure Results - We noted no exceptions.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
  - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - We observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

a) *Procedure Results – We noted no exceptions.*

#### ***Travel and Expense Reimbursement***

---

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

a) *Procedure Results – We noted no exceptions.*

#### ***Contracts***

---

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

a) *Procedure Results – We noted no exceptions.*

***Payroll and Personnel***

---

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - We observed that supervisors approved the attendance and leave of the selected employees/officials.
  - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.
- a) *Procedure Results – We noted no exceptions.*

***Ethics***

---

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.
- a) *Procedure Results – We noted no exceptions.*

***Debt Service***

---

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

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

a) *Procedure Results – We noted no exceptions.*

***Other***

---

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

a) *Procedure Results – We noted no exceptions, management represented that they are not aware of any misappropriations.*

24. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

a) *Procedure Results – We noted no exceptions.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

November 18, 2019

THIS PAGE LEFT BLANK INTENTIONALLY