

**NATCHITOCHE PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2017

NATCHITOCHE PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

T A B L E O F C O N T E N T S

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management’s Discussion and Analysis	-	1-5
Independent Auditor’s Report	-	6-9
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements		
Statement of Net Position	A	12
Statement of Activities	B	13
Fund Financial Statements		
Governmental Funds:		
Balance Sheet-Governmental Funds	C	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	D	16
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds	E	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	18
Notes to Financial Statements	-	20-51
<u>Required Supplemental Information</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual-		
General Fund	G-1	53
Road Maintenance Fund	G-2	54
Sales Tax Fund	G-3	55
Parish Library Fund	G-4	56
Disposal Solid Waste	G-5	57
Government Building	G-6	58
Health Unit Maintenance	G-7	59
Head Start Fund	G-8	60

NATCHITOCHE PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

T A B L E O F C O N T E N T S

	<u>Exhibit</u>	<u>Page</u>
Schedule of Employer’s Share of Net Pension Liability	H	61
Schedule of Employer Contributions	I	62
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	J	63
<u>Other Supplemental Schedules</u>		
Non-Major Governmental Funds:		
Combining Balance Sheet	K-1	65-67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	K-2	68-70
Schedule of Expenditures of Federal Awards	K-3	71
Notes to the Schedule of Expenditures of Federal Awards	K-4	72
<u>Other Reports</u>		
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>	-	74-75
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	-	76-77
Schedule of Findings and Questioned Costs	L	78-79
Independent Accountant’s Report on Applying Statewide Agreed-Upon Procedures	-	80-92
Management’s Response to Exceptions to Statewide Agreed-Upon Procedures	M	93

Natchitoches Parish Government

Natchitoches, Louisiana

Management's Discussion and Analysis (MD&A)

Our discussion and analysis of the Natchitoches Parish Government's financial performance provides an overview of the Parish Government's financial activities for the year ended December 31, 2017.

Financial Highlights

- The Parish Government's assets exceeded its liabilities by \$23,628,982 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$23,001,213.
- Total net position is comprised of the following:
 1. Net investment in capital assets, of \$10,266,572 includes property and equipment, net of accumulated depreciation.
 2. Unrestricted net position of \$13,362,410 represents the portion available to maintain the Parish Government's continuing obligations to citizens and creditors.
- The Parish Government's governmental funds report a total fund balance of \$15,813,961 this year. This compares to the prior year ending fund balance of \$14,336,887 showing an increase of \$1,477,074 during the current year.

Using This Annual Report

The Parish Government's annual report consists of a series of financial statements that show information for the Parish Government as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Parish Government as a whole and present a longer-term view of the Parish Government's finances. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. The fund financial statements, the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance, report the Parish Government's operations in more detail than the government-wide statements by providing information about the Parish Government's most financially significant funds.

Reporting the Parish Government as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Parish Government's finances is "Is the Parish Government as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Parish Government as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Parish Government's net position – the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the Parish Government's financial position. Over time, increases or decreases in the Parish Government's net position – as reported in the Statement of Activities – is one indicator of whether its financial health is improving or deteriorating. You must consider other non-financial factors, such as the condition of roads and bridges to assess the overall health of the Parish Government.

The Statement of Net Position and Statement of Activities report the following activity for the Parish Government:

Governmental Activities – All of the Parish Government's services are reported here, including public works and health and welfare services. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Reporting the Parish Government's Most Significant Funds

Fund Financial Statements

The Parish Government's fund financial statements provide detailed information about the most significant funds – not the Parish Government as a whole. Some funds are required to be established by State law and by bond covenants. However, the Parish Government establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies (like grants the Parish Government receives for Head Start). The Parish Government's governmental funds use the following accounting approach:

Governmental Funds – All of the Parish Government's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Parish Government's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Parish Government's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation after the fund financial statements.

The Parish Government as a Whole

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Parish Government's governmental activities:

Table 1
Net Position
December 31, 2017

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Assets:		
Cash & Other Assets	\$17,065,093	\$15,692,163
Noncurrent Assets	<u>12,113,682</u>	<u>13,046,862</u>
Total Assets	<u>\$29,178,775</u>	<u>\$28,739,025</u>
Liabilities:		
Current and Other Liabilities	\$ 1,251,132	\$ 1,394,365
Long-term Liabilities	<u>4,298,661</u>	<u>4,343,447</u>
Total Liabilities	<u>\$ 5,549,793</u>	<u>\$ 5,737,812</u>
Net Position:		
Net Investment in Capital Assets	\$10,266,572	\$10,433,842
Unrestricted	<u>13,362,410</u>	<u>12,567,371</u>
Total Net Position	<u>\$23,628,982</u>	<u>\$23,001,213</u>

Table 2
Changes in Net Position
Year Ended December 31, 2017

	<u>Primary Government</u>	
	<u>2017</u>	<u>2016</u>
Program Revenues:		
Charges for Services	\$ 420,360	\$ 408,505
Operating Grants & Contributions	5,660,658	4,748,797
Capital Grants & Contributions	85,228	502,650
General Revenues:		
Ad Valorem Taxes	6,348,901	6,249,089
Sales Taxes	2,193,517	2,224,359
Licenses & Permits	455,999	450,028
NEC Revenue	64,773	66,491
Interest	11,970	9,376
Miscellaneous	<u>220,556</u>	<u>297,104</u>
Total Revenues	<u>\$15,461,962</u>	<u>\$14,956,399</u>
Functional/Program Expenses:		
Governmental Activities-		
General Government	\$ 2,463,653	\$ 1,808,901
Public Safety	1,982,190	2,641,627
Public Works	4,510,980	4,694,857
Health & Welfare	4,085,151	3,469,561
Recreation & Culture	1,813,246	1,959,217
Economic Development	<u>18,063</u>	<u>48,521</u>
Total Expenses	<u>\$14,873,283</u>	<u>\$14,622,684</u>
Change in Net Position	<u>\$ 588,679</u>	<u>\$ 333,715</u>

Economic Factors and Next Year's Budgets and Rates

In 2018, the general fund is expected to have little or no change. For the past several years the Natchitoches Parish Government has incurred financial difficulties due to rising costs specifically in the Criminal Court Fund and the various Office of Community Services funds. At the same time, revenues are not rising and several attempts to pass additional sales taxes have failed. The Parish Government is required to cover the cost of housing and feeding pre-trial inmates in the Natchitoches Parish Detention Center as well as other costs necessary for the operation of the Criminal Court. The Parish Government has established the Public Safety Fund to account for the costs of pre-trial inmates, however, the General Fund is fully responsible for the expenditures of this fund.

The financial stability of the Parish Government is improving, but is still not stable. Management of the Parish Government is aware of the financial difficulties caused by this situation and is monitoring these transactions closely.

Contacting the Parish Government

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Parish Government's finances and to show the Parish Government's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Debra Miley, Treasurer at 318-352-2714.

Johnson, Thomas & Cunningham

Certified Public Accountants

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT

To the President and Council Members
of the Natchitoches Parish Government

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Government (Parish Government) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Parish Government'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 Parish Government'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 Parish Government's primary government unless the Parish Government also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish Government 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, deferred outflows, liabilities, deferred inflows, 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 Natchitoches Parish Government, the reporting entity, as of December 31, 2017, or the changes in financial position thereof for the year then ended.

Unmodified Opinion – 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, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Government, the primary government, as of December 31, 2017, and the respective changes in financial position 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, the Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for purposes of additional analysis and is required by Louisiana Revised Statute R.S. 245:513 A.(3). This schedule is not a required part of the basic financial statements.

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 it because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish Government's basic financial statements. The Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

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 Parish Government's primary government. The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2018, on our consideration of the Parish Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish Government'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 June 11, 2018, on the results of our state wide 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 state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

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

June 11, 2018
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Government
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$10,794,931
Revenue Receivables	<u>6,270,162</u>
Total Current Assets	\$17,065,093
Noncurrent Assets-	
Capital Assets (net of accumulated depreciation)	<u>10,266,572</u>
Total Assets	<u>\$27,331,665</u>
Deferred Outflows of Resources	\$ <u>1,847,110</u>
Liabilities-	
Current Liabilities-	
Cash Overdraft	\$ 5,893
Accounts Payable	558,319
Accrued Payroll	32,697
Due to Other Governments	<u>654,223</u>
Total Current Liabilities	\$ <u>1,251,132</u>
Long-term Liabilities-	
Accrued Compensated Absences	\$ 145,474
OPEB Payable	2,421,257
Net Pension Liability	<u>1,443,807</u>
Total Long-term Liabilities	\$ <u>4,010,538</u>
Total Liabilities	\$ <u>5,261,670</u>
Deferred Inflows of Resources	\$ <u>288,123</u>
Net Position-	
Net Investment in Capital Assets	\$10,266,572
Unrestricted	<u>13,362,410</u>
Total Net Position	<u>\$23,628,982</u>

See notes to financial statements.

Natchitoches Parish Government
Statement of Activities
Year Ended December 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Governmental Activities-					
General Government	\$ (2,463,653)	\$ 0	\$ 708,408	\$ 0	\$ (1,755,245)
Public Safety	(1,982,190)	278,639	453,048	0	(1,250,503)
Public Works	(4,510,980)	115,241	781,384	85,228	(3,529,127)
Health & Welfare	(4,085,151)	0	3,715,530	0	(369,621)
Recreation & Culture	(1,813,246)	26,480	2,288	0	(1,784,478)
Economic Development	<u>(18,063)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,063)</u>
Total Governmental Activities	<u>\$(14,873,283)</u>	<u>\$420,360</u>	<u>\$5,660,658</u>	<u>\$85,228</u>	<u>\$ (8,707,037)</u>
General Revenues:					
Taxes-					
Ad Valorem					\$ 6,348,901
Sales & Use					2,193,517
Licenses & Permits					455,999
Interest					11,970
NEC Revenue					64,773
Miscellaneous					<u>220,556</u>
Total General Revenues					<u>\$ 9,295,716</u>
Change in Net Position					\$ 588,679
Net Position January 1, 2017					<u>23,040,303*</u>
Net Position December 31, 2017					<u>\$23,628,982</u>

*Restated (See Note 17)

FUND FINANCIAL STATEMENTS

Natchitoches Parish Government
Governmental Funds-Balance Sheet
December 31, 2017

	Major Funds								Nonmajor Funds	Total Governmental Funds
	General Fund	Road Maintenance Fund	Sales Tax Fund	Parish Library Fund	Disposal Solid Waste	Government Building Fund	Health Unit Maintenance	Head Start Fund		
<u>Assets</u>										
Cash & Cash Equivalents	\$1,319,462	\$1,431,202	\$1,200,708	\$2,269,654	\$294,634	\$2,029,632	\$1,049,498	\$ 37,541	\$1,162,600	\$10,794,931
Revenue Receivables	996,908	1,174,099	213,083	1,991,461	1,978	809,551	817,313	67,321	198,448	6,270,162
Prepaid Expense	0	0	0	0	0	0	0	0	0	0
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,708</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,595</u>	<u>12,303</u>
Total Assets	<u>\$2,316,370</u>	<u>\$2,605,301</u>	<u>\$1,413,791</u>	<u>\$4,261,115</u>	<u>\$303,320</u>	<u>\$2,839,183</u>	<u>\$1,866,811</u>	<u>\$104,862</u>	<u>\$1,366,643</u>	<u>\$17,077,396</u>
<u>Liabilities</u>										
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,893	\$ 5,893
Accounts Payable	247,880	121,957	0	0	85,443	28,183	3,296	3,203	68,357	558,319
Accrued Payroll	306	12,685	0	1,188	10,159	3,608	3,769	110	872	32,697
Due to Other Governments	0	0	0	0	0	0	0	0	654,223	654,223
Due to Other Funds	<u>0</u>	<u>6,708</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,595</u>	<u>12,303</u>
Total Liabilities	<u>\$ 248,186</u>	<u>\$ 141,350</u>	<u>\$ 0</u>	<u>\$ 1,188</u>	<u>\$ 95,602</u>	<u>\$ 31,791</u>	<u>\$ 7,065</u>	<u>\$ 3,313</u>	<u>\$ 734,940</u>	<u>\$ 1,263,435</u>
<u>Fund Balance</u>										
Fund Balances-										
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	2,463,951	1,413,791	4,259,927	207,718	2,807,392	1,859,746	101,549	1,189,344	14,303,418
Unassigned	<u>2,068,184</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(557,641)</u>	<u>1,510,543</u>
Total Fund Balance	<u>\$2,068,184</u>	<u>\$2,463,951</u>	<u>\$1,413,791</u>	<u>\$4,259,927</u>	<u>\$207,718</u>	<u>\$2,807,392</u>	<u>\$1,859,746</u>	<u>\$101,549</u>	<u>\$ 631,703</u>	<u>\$15,813,961</u>
Total Liabilities & Fund Balance	<u>\$2,316,370</u>	<u>\$2,605,301</u>	<u>\$1,413,791</u>	<u>\$4,261,115</u>	<u>\$303,320</u>	<u>\$2,839,183</u>	<u>\$1,866,811</u>	<u>\$104,862</u>	<u>\$1,366,643</u>	<u>\$17,077,396</u>

See notes to financial statements.

Natchitoches Parish Government
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017

Total Governmental Fund Balances	\$ 15,813,961
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>	
<p>Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet-</p>	
Capital Assets	35,121,512
Less, Accumulated Depreciation	(24,854,940)
<p>Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet</p>	
	1,847,110
<p>Long-term Liabilities are not due and payable in the current period and are not reported in the funds-</p>	
Accrued Compensated Absences	(145,474)
Other Post-Employment Benefit Obligation	(2,421,257)
Net Pension Liability	(1,443,807)
<p>Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet</p>	
	<u>(288,123)</u>
Total Net Position of Governmental Activities at December 31, 2017	<u>\$ 23,628,982</u>

See notes to financial statements.

Natchitoches Parish Government
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2017

	Major Funds								Total Governmental Funds	
	General Fund	Road Maintenance Fund	Sales Tax Fund	Parish Library Fund	Disposal Solid Waste	Government Building Fund	Health Unit Maintenance	Head Start Fund		Nonmajor Funds
Revenues:										
Taxes-										
Ad Valorem	\$ 1,114,637	\$ 1,056,195	\$ 0	\$ 2,294,418	\$ 0	\$ 930,286	\$ 953,365	\$ 0	\$ 0	\$ 6,348,901
Sales & Use	0	0	2,193,517	0	0	0	0	0	0	2,193,517
License & Permits	289,371	0	0	0	0	0	0	0	166,628	455,999
Intergovernmental-										
Federal Grants	0	275,144	0	0	0	0	0	2,257,160	880,070	3,412,374
State Grants	645,150	589,598	0	0	0	0	0	0	32,253	1,267,001
Other Grants	0	0	0	2,288	0	63,258	0	580,168	420,797	1,066,511
Charges for Services	0	0	0	14,544	115,240	0	0	0	0	129,784
Fines & Forfeits	0	0	0	11,936	0	0	0	0	278,640	290,576
Miscellaneous	157,796	31,106	1,757	12,299	0	2,360	1,536	0	45,002	251,856
Total Revenues	\$ 2,206,954	\$ 1,952,043	\$ 2,195,274	\$ 2,335,485	\$ 115,240	\$ 995,904	\$ 954,901	\$ 2,837,328	\$ 1,823,390	\$ 15,416,519
Expenditures:										
Current-										
General Government	\$ 707,055	\$ 23,345	\$ 39,260	\$ 0	\$ 0	\$ 812,263	\$ 0	\$ 0	\$ 300,027	\$ 1,881,950
Public Safety	171,148	0	0	0	0	0	0	0	1,730,788	1,901,936
Public Works	0	2,265,868	0	0	1,900,365	0	0	0	113,718	4,279,951
Health & Welfare	3,948	0	0	0	0	0	412,365	2,738,207	898,784	4,053,304
Recreation & Culture	0	0	0	1,804,241	0	0	0	0	0	1,804,241
Economic Development	18,063	0	0	0	0	0	0	0	0	18,063
Total Expenditures	\$ 900,214	\$ 2,289,213	\$ 39,260	\$ 1,804,241	\$ 1,900,365	\$ 812,263	\$ 412,365	\$ 2,738,207	\$ 3,043,317	\$ 13,939,445
Excess (Deficiency) of Revenues over Expenditures	\$ 1,306,740	\$ (337,170)	\$ 2,156,014	\$ 531,244	\$ (1,785,125)	\$ 183,641	\$ 542,536	\$ 99,121	\$ (1,219,927)	\$ 1,477,074
Other Financing Sources (Uses):										
Operating Transfers In	\$ 357,375	\$ 600,000	\$ 0	\$ 0	\$ 1,995,000	\$ 0	\$ 0	\$ 6,419	\$ 1,875,123	\$ 4,833,917
Operating Transfers Out	(1,356,095)	(362,820)	(2,495,000)	0	0	0	(300,000)	(31,395)	(288,607)	(4,833,917)
Total Other Financing	\$ (998,720)	\$ 237,180	\$ (2,495,000)	\$ 0	\$ 1,995,000	\$ 0	\$ (300,000)	\$ (24,976)	\$ 1,586,516	\$ 0
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 308,020	\$ (99,990)	\$ (338,986)	\$ 531,244	\$ 209,875	\$ 183,641	\$ 242,536	\$ 74,145	\$ 366,589	\$ 1,477,074
Fund Balances-Beginning of Year	1,760,164*	2,563,941	1,752,777	3,728,683	(2,157)	2,623,751	1,617,210	27,404	265,114	14,336,887
Fund Balances-End of Year	\$ 2,068,184	\$ 2,463,951	\$ 1,413,791	\$ 4,259,927	\$ 207,718	\$ 2,807,392	\$ 1,859,746	\$ 101,549	\$ 631,703	\$ 15,813,961

*Restated (See Note 17)

See notes to financial statements.

Natchitoches Parish Government
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017

Net Change in Fund Balances-Total Governmental Funds	\$1,477,074
---	-------------

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 current year amounts for these items were-

Capital Expenditures	452,023
Depreciation Expense	(603,170)

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 the governmental funds.
These timing differences are summarized below:

Accrued Compensated Absences	(13,597)
Other Post-Employment Benefit Obligation	(445,375)
Non-employer Pension Revenue	64,773
Pension Expense	(326,926)

The net effect of the disposition of capital assets is to decrease net position:

Decrease in Capital Assets	(710,710)
Decrease in Accumulated Depreciation	<u>694,587</u>

Change in Net Position of Governmental Activities	\$ <u>588,679</u>
---	-------------------

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Introduction

The Natchitoches Parish Government is the governing authority for Natchitoches Parish, and is a political subdivision of the State of Louisiana. The Parish Government, under the provisions of Louisiana Revised Statutes 33:1236-1344, enacts ordinances, sets policy and establishes programs in such fields as criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health, libraries, recreational facilities and general administrative services. The Parish Government operates as a President-Council form of government, with the president elected parish-wide and the five council members elected from the various districts of Natchitoches Parish.

1. Summary of Significant Accounting Policies

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Natchitoches Parish Government is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (Parish Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations 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 established criteria for determining which component units should be considered part of the Natchitoches Parish Government for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Parish Government 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 Parish Government.
2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent and
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.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fire District No. 1	12-31	1 and 3
Fire District No. 2	12-31	1 and 3
Fire District No. 3	12-31	1 and 3
Fire District No. 4	12-31	1 and 3
Fire District No. 5	12-31	1 and 3
Fire District No. 6	12-31	1 and 3
Fire District No. 7	12-31	1 and 3
Fire District No. 8	12-31	1 and 3
Fire District No. 9	6-30	1 and 3
Fire District No. 10	6-30	1 and 3
Waterworks District No. 2	12-31	1 and 3
Parish Assessor's Office	12-31	2 and 3
Parish Clerk of Court	6-30	2 and 3
District Attorney	12-31	2 and 3
Communications District	12-31	1 and 3
Sheriff	6-30	2 and 3
Hospital Service District	6-30	1 and 3
Northwest LA Fish and Game Preserve	12-31	1 and 3

The Parish Government has chosen to issue financial statements of the primary government (Parish Government), which exclude the above listed component units. For information to obtain financial statements for any of the above component units, contact the treasurer of the Parish Government at 318-352-2714.

These primary government (Parish Government) financial statements include all funds and organizations for which the Parish Government maintains the accounting records. All the blended component units are included as funds within the reporting entity and include the Parish Library, Tenth Judicial District Criminal Court Fund, Civil Defense Fund, and Natchitoches Parish Office of Community Services.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Parish Government) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Parish Government).

B. Government-Wide and Fund 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. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 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.

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. Revenues are recognized 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Property taxes, franchise taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Parish Government reports the following major governmental funds:

General Fund-The General Fund is the Parish Government's primary operating fund. It accounts for all financial resources of the general government, except 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 specified purposes.

The Parish Government's major special revenue funds are-

Road Maintenance Fund-Used to account for the Parish Government's road, bridge, and drainage projects.

Sales Tax Fund-Used to account for the collection of a 1% sales and use tax used to finance the Solid Waste Fund, with any remaining balance used for the Road Maintenance Fund.

Parish Library Fund-Used to account for the operations of the parish library.

Disposal Solid Waste-Used to account for the operations of the Parish's solid waste disposal.

Government Building Fund-Used to account for monies provided by a property tax levy to be used in the maintenance and operation of the Natchitoches Parish Courthouse, and other Parish Government properties.

Health Unit Fund-Used to account for the Jury's portion of costs associated with the parish health unit.

Head Start Fund-Used to account for the Parish Government's Head Start programs.

D. Deposits and Investments

The Parish Government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition. State law and the Parish Government's investment policy allow the Parish Government to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

E. Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions, which constitute reimbursements of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund, and as reductions of the expenditure in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual transfers and are reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of the funds.

The Criminal Court Fund includes revenues and expenditures of the Tenth Judicial District Court. The monies in the fund are not available for use by the Parish Government. However, state law requires that the Parish Government fund all deficits of the fund and entitles the Parish Government to one-half of any surplus of the fund. These transactions are accounted for as operating transfers of the Criminal Court Fund and the General Fund as applicable.

The following are summaries of interfund receivables and payables, and interfund operating transfers:

	Interfund Transfers In	Interfund Transfers Out
General Fund	\$ 357,375	\$1,356,095
Special Revenue Funds-		
Road Maintenance Fund	600,000	362,820
Disposal Solid Waste	1,995,000	0
Health Unit Fund	0	300,000
Sales Tax Fund	0	2,495,000
Criminal Court	51,000	0
OCS-CSBG	36,290	14,150
OCS-OCS LIHEAP	55,064	55,064
OCS-Head Start	6,419	31,395
OCS-CACFP	42,848	6,511
OCS-Senior Companion	0	8,015
OCS-CHC & TTA	9,084	0
Public Safety	1,083,150	0
Coroner	30,000	0
Capital Projects Funds-		
Coco Bed Road	84,000	0
Payne Street Subdivision	79,200	0
Fish Hatchery Road	41,667	0
Disaster Recovery	110,000	0
Capital Outlay	<u>252,820</u>	<u>204,867</u>
Totals	<u>\$4,833,917</u>	<u>\$4,833,917</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Transfers are primarily used to move funds:

- From Health Unit Maintenance Fund to the General Fund to help fund criminal court cost.
- From General Fund to Criminal Court and Public Safety Funds as mandated by Louisiana law to fund criminal court cost and prisoner maintenance.
- From Sales Tax Fund to Solid Waste Disposal and Road Funds to fund solid waste operations and road maintenance.
- From General Fund to OCS Funds to clear fund deficits.
- From Head Start to CACFP to fund cost of food.
- Other miscellaneous transfers to move operation monies to and from various funds.

F. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, 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 Parish Government maintains a threshold level of \$1,000 or more for capitalizing capital assets, except for the Head Start Fund which has a threshold level of \$5,000.

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, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, & infrastructure	50 years
Buildings & building improvements	40 years
Furniture & fixtures	5-7 years
Vehicles	5-7 years
Equipment	5-7 years

G. Inventories

Inventories are considered expenditures when purchased; therefore, physical inventories are not taken. Inventories on hand at December 31, 2017, are immaterial and are approximately the same as at December 31, 2016. Inventories consist of gravel, road building and general maintenance materials, and supplies.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

H. Compensated Absences

Full-time Parish Government employees may earn from five to twenty days of annual leave and five to twelve days of sick leave per year depending on length of service. Upon resigning, employees may be paid for annual leave up to fifty days. Retiring employees are not paid for accrued annual leave in excess of fifty days, but are given credit toward retirement length of service. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

I. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position.

J. 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 8, for more information on the individual retirement systems.

K. 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.

L. Fund Balance

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;

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

- 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.

The Parish Government has restricted fund balances of \$14,303,418 and unassigned fund balances of \$1,510,543. If applicable, the Parish Government 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.

M. 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, contributions, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted Net Position - All other net resources that do not meet the definition of “restricted” or “invested in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. 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 expense.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

2. Budgets and Budgetary Accounting

The Parish Government utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to December 1, the Treasurer submits to the Parish Government a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain public comments.
- (3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. Revisions to the budget as enacted require Parish Government action. Several such revisions were made during the year ended December 31, 2017.
- (5) The Parish Government utilizes formal budgetary integration as a management control device for the General Fund and Special Revenue Funds.
- (6) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations that are not expended lapse at year-end.

3. Deficits in Individual Funds

At December 31, 2017, the following funds had a deficit balance in their fund balance:

<u>Fund</u>	<u>Amount</u>
Office of Community Services- CHC	\$ 48
TTA/CDA	3,645
Public Safety	<u>553,948</u>
Total	<u>\$557,641</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

The deficit balances in CHC, TTA/CDA and Public Safety will be funded by transfers from the General Fund as funding is available.

4. Cash and Cash Equivalents

At December 31, 2017, the Parish Government had cash and cash equivalents (book balances) totaling \$10,789,038 as follows:

Interest-bearing demand deposits	\$10,316,440
U.S. Government Securities	<u>472,598</u>
Total	<u>\$10,789,038</u>

The cash and cash equivalents of the Parish Government 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 Parish Government 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 Parish Government 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 Parish Government'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 Parish Government 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 Parish Government diversifies its investments by security type and institution.

At December 31, 2017, the Parish Government has \$10,379,703 in deposits (collected bank balances). These deposits are secured from risk by \$250,004 of federal deposit insurance and \$10,129,699 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$472,598 in securities is secured by the U.S. Government.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

5. Receivables

The receivables of \$6,270,162 at December 31, 2017 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Taxes-		
Ad Valorem	\$839,946	\$4,567,913
Other Taxes	135,487	6,299
Other	<u>21,475</u>	<u>699,042</u>
Totals	<u>\$996,908</u>	<u>\$5,273,254</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2017, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
General Fund:				
Capital Assets; not depreciated-				
Land	\$ 492,070	\$ 0	\$ 0	\$ 492,070
Capital Assets; depreciated-				
Building	7,358,311	170,363	0	7,528,674
Office Equipment	914,562	11,309	3,846	922,025
Other Equipment	1,640,488	44,582	18,395	1,666,675
Vehicles	2,004,750	74,742	440,866	1,638,626
Books, Recordings, etc.	1,879,653	151,027	247,603	1,783,077
Bridges	10,859,351	0	0	10,859,351
Roads	<u>10,231,014</u>	<u>0</u>	<u>0</u>	<u>10,231,014</u>
Total Assets	<u>\$35,380,199</u>	<u>\$ 452,023</u>	<u>\$710,710</u>	<u>\$35,121,512</u>
Accumulated Depreciation-				
Building	\$ 4,738,352	\$ 123,516	\$ 0	\$ 4,861,868
Office Equipment	824,738	20,904	3,846	841,796
Other Equipment	1,297,123	77,608	18,395	1,356,336
Vehicles	1,706,127	80,722	424,743	1,362,106
Books, Recordings, etc.	1,579,947	116,974	247,603	1,449,318
Bridges	4,686,124	177,167	0	4,863,291
Roads	<u>10,113,946</u>	<u>6,279</u>	<u>0</u>	<u>10,120,225</u>
Total Acc. Deprec.	<u>\$24,946,357</u>	<u>\$ 603,170</u>	<u>\$694,587</u>	<u>\$24,854,940</u>
Total Capital Assets, net	<u>\$10,433,842</u>	<u>\$ (151,147)</u>	<u>\$ 16,123</u>	<u>\$10,266,572</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Depreciation expense of \$603,170 for the year ended December 31, 2017, was charged to the following governmental funds:

General Government	\$ 91,839
Public Safety	9,572
Public Works	287,466
Health & Welfare	57,718
Recreation & Culture	<u>156,575</u>
Total	<u>\$603,170</u>

7. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	Balance <u>1-1-17</u>	<u>Additions</u>	<u>Reduction</u>	Balance <u>12-31-17</u>
Compensated Absences	\$ 131,877	\$ 13,597	\$ 0	\$ 145,474
Net OPEB	1,975,882	445,375	0	2,421,257
Net Pension Liability	<u>1,888,847</u>	<u>0</u>	<u>445,304</u>	<u>1,443,807</u>
Total	<u>\$3,996,606</u>	<u>\$458,972</u>	<u>\$445,304</u>	<u>\$4,010,538</u>

8. Employee Retirement Systems

Substantially all employees of the Parish Government are members of the Parochial Employees' Retirement System of Louisiana (PERS), District Attorneys' Retirement System, State of Louisiana (DARS), or the Registrar of Voters Employees' Retirement System of Louisiana (ROVERS). 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

Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description

The Parish Government contributes to PERS which is a cost-sharing multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. PERS is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. PERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS.

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 can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. At any age after 30 years of creditable service
2. At age 55 after 25 years of creditable service
3. At age 60 after 10 years of creditable service
4. At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

1. At age 55 after 30 years of creditable service
2. At age 62 after 10 years of creditable service
3. At age 67 after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member’s final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor’s Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married no less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for PERS. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for 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.

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/her 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 roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or PERS, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have 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 an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or 3% multiplied by years of service assuming continued service to age 60.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Cost-of-Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. 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.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016 was 13.00% for Plan A.

According to state statute, PERS also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$49,216.

The Parish Government's contractually required composite contribution rate for the year ended December 31, 2017 was 12.50% 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 Parish Government were \$494,662 for the year ended December 31, 2017.

District Attorneys' Retirement System, State of Louisiana (DARS)

Plan Description

The Parish Government contributes to the District Attorneys' Retirement System, State of Louisiana, which is a cost-sharing multiple employer defined benefit pension plan. DARS was established on the first day of August, 1956 and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. 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 DARS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit 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

Members who joined DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined DARS after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Disability Benefits

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Survivor's Benefits

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in DARS.

Cost-of-Living Increases

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$600 per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, DARRS must meet certain criteria detailed in the statute related to funding status and interest earnings.

Deferred Retirement Option Plan

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 0%.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2017 and excluded from pension expense. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$10,961.

The Parish Government's contractually required composite contribution rate for the year ended December 31, 2017 was 0% 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 Parish Government were \$0 for the year ended December 31, 2017.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Registrar of Voters Employees' Retirement System of Louisiana (ROVERS)

Plan Description

The Parish Government contributes to the Registrar of Voters Employees' Retirement System of Louisiana, which is a cost-sharing multiple-employer defined benefit pension plan. ROVERS was established in accordance by Act 215 of 1954, under Revised Statute 11:2032 to provide retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana.

ROVERS was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. 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 ROVERS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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 hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service, regardless of age, may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013, is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013, that have attained 30 years of creditable service with at least 20 years of creditable service in ROVERS are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of 60 years, who shall have completed 10 or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Disability Benefits

Disability benefits are provided to active contributing members with at least 10 years of service established in ROVERS and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3.33% of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

Survivor's Benefits

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service and is not eligible to retire, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with Option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic Option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member with 10 or more years of service at age 60, 20 or more years of service at age 55, or 30 or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in ROVERS terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of ROVERS 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 plan 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. The monthly benefits that were being

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

paid into the DROP fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund 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 the plan fund cease, and the person resumes active contributing membership in ROVERS.

Cost-of-Living Increases

Cost of living provisions for the System allows the Board of Trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of 60 and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 20.00%.

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions in the amount of \$4,596 are recognized as revenue and excluded from pension expense for the year ended December 31, 2017.

The Parish Government's contractually required composite contribution rate for the year ended December 31, 2017 was 17.00% 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 Parish Government were \$4,005 for the year ended December 31, 2017.

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

At December 31, 2017 and 2016, the Parish Government reported a total of \$1,443,807 for its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	December 31, 2016	December 31, 2015
PERS	\$1,372,169	\$1,815,028
	June 30, 2017	June 30, 2016
DARS	35,969	25,584
ROVERS	35,669	48,235
Total	\$1,443,807	\$1,888,847

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

The Net Pension Liabilities were measured as of December 31, 2016 for PERS and June 30, 2017 for DARS and ROVERS, and the total pension liability used to calculate the Net Pension Liabilities were determined by an actuarial valuation as of those dates. The Parish Government's proportion of the Net Pension Liabilities was based on a projection of the Parish Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the measurement dates, the Parish Government's proportions of each were as follows:

Plan	Proportionate Share	
	December 31, 2016	December 31, 2015
PERS	.666258%	.689525%
	June 30, 2017	June 30, 2016
DARS	.133352%	.133664%
ROVERS	.162495%	.169996%
Total	.962105%	.993185%

For the year ended December 31, 2017 and 2016, the Parish Government 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	
	December 31, 2016	December 31, 2015
PERS	\$816,450	\$786,689
	June 30, 2017	June 30, 2016
DARS	5,334	2,334
ROVERS	3,678	5,601
Total	\$825,462	\$794,624

At December 31, 2017, the Parish Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS		DARS		ROVERS		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
Differences between expected and actual								
Changes in Assumptions	\$ -	\$ 240,116.00	\$ -	\$ 9,456.00	\$ -	\$ 6,632.00	\$ -	\$ 256,204.00
Net Difference between projected and actual earnings	260,514	-	16,126	4,245	3,427	1,153	280,067	5,398
Changes in employer's Differences between employer and proportionate share of	1,064,853	-	14,435	-	4,012	-	1,083,300	-
Subsequent Measurement Contributions	3,721	968	-	24,004	2,742	1,414	6,463	26,386
	(21,579)	-	1,813	123	555	12	(19,211)	135
Total	494,662	-	-	-	1,829	-	496,491	-
	\$ 1,802,171.00	\$ 241,084.00	\$ 32,374.00	\$ 37,828.00	\$ 12,565.00	\$ 9,211.00	\$ 1,847,110.00	\$ 288,123.00

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

The deferred outflows of resources related to pensions resulting from Parish Government contributions subsequent to the measurement date in the amount of \$496,491, will be recognized as a reduction of the Net Pension Liabilities in the year December 31, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2018	\$ 394,452
2019	427,821
2020	276,766
2021	(37,876)
2022	(954)
2023	2,046
2024	241
Total	\$1,062,496

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation dates of December 31, 2016 for PERS and June 30, 2017 for DARS and ROVERS are as follows:

<u>Assumptions</u>	<u>PERS</u>	<u>DARS</u>	<u>ROVERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost
Expected remaining service lives	4 years	7 years	5 years
Investment rate of return	7.000%	6.750%	6.750%
Inflation rate	2.500%	2.500%	2.500%
Salary increases	5.250%	5.500%	6.000%

Mortality rates for PERS were based on RP-2000 Employee Sex Distinct Mortality Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. The mortality rate assumptions were based on the results of an experience study, for the period January 1, 2010 through December 31, 2014.

Mortality rates for DARS were based on RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Mortality Tables (setback 1 year for females) for employees, annuitants and beneficiaries. RP-2000 Disabled Lives Table (setback 5 years for males and set back 3 years for females) for disabled annuitants. The mortality rate 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, 2014.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Mortality rates for ROVERS were based on RP-2000 Combined Healthy Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table for disabled annuitants. The mortality rate 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, 2014.

The long-term expected rate of return on PERS pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

The long-term expected rate of return on DARS and ROVERS 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 expense, 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 December 31, 2017 for PERS and June 30, 2017 for DARS and ROVERS are summarized in the following table:

<u>Asset Class</u>	PERS		DARS		ROVERS	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	52%	3.63%	61.72%	11.31%	55%	4.28%
Fixed Income	35%	1.24%	28.95%	6.84%	30%	0.85%
Alternative	11%	0.67%	8.85%	10.50%	5%	0.31%
Other	2%	0.12%	0.48%	0.50%	10%	0.45%
Totals	100%	5.66%	100%	6.56%	100%	5.89%
Inflation		2.00%		2.50%		2.50%
Expected Nominal Return		7.66%		9.06%		8.39%

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

The discount rate used to measure the total pension liability was 7.0% for PERS, 6.75% for DARS, and 6.75% for ROVERS. 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 and non-contributing entities 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, PERS, DARS, and ROVERS 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 Parish Government's proportionate share of the Net Pension Liabilities using the discount rates as shown above, as well as what the Parish Government'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
PERS	\$4,104,703	\$1,372,169	\$(938,275)
DARS	\$ 102,783	\$ 35,968	\$ (20,809)
ROVERS	\$ 54,520	\$ 35,669	\$ 19,445

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.

Payables to the Pension Plans

These financial statements include a payables to the pension plans. \$121,122 to PERS, \$683 to DARS, and \$1,165 to ROVERS, which are the legally required contributions due at December 31, 2017. These amounts are recorded in accrued expenses.

9. Risk Management/Contingencies/Pending Litigation

- Beginning January 1, 2000, the Parish Government ceased carrying liability insurance except for buildings and vehicles. For suits occurring on liability issues not related to vehicles and buildings, the Parish Government has adopted a policy of not defending or paying such suits. At December 31, 2017, there are no known outstanding judgments or suits against the Parish Government for issues not related to vehicles and buildings.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

- **Financial Stability-**For the past several years the Natchitoches Parish Government has incurred financial difficulties due to rising costs specifically in the Criminal Court Fund. At the same time, revenues are not rising and several attempts to pass additional sales taxes have failed. The Parish Government is required to cover the cost of housing and feeding pre-trial inmates in the Natchitoches Parish Detention Center as well as other costs necessary for the operation of the Criminal Court. The Parish Government has established the Public Safety Fund to account for the costs of pre-trial inmates, however, the General Fund is fully responsible for the expenditures of this fund.

At December 31, 2017, the General Fund had an unassigned fund balance of \$2,068,184. As per note disclosure number 3, the fund deficits of the Office of Community Services-CHC and TTA/CDA and Public Safety are \$557,641. The financial stability of the Parish Government is improving, but is still not stable. Management of the Parish Government is aware of the financial difficulties caused by this situation and is monitoring these transactions closely.

10. Ad Valorem Taxes

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

The Natchitoches Parish Sheriff's Office bills and collects property taxes for the Parish Government. Collections are remitted to the Parish Government monthly.

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

The Parish Government is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$398,018,074 in 2017. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$3,028,335 of the assessed value in 2017.

The distribution of the Parish Government's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2017:

<u>Fund</u>	<u>Inside</u> <u>City of Natchitoches</u>	<u>Outside</u> <u>City of Natchitoches</u>
General Fund	1.73	3.47
Road Maintenance	0	4.87
Courthouse Maintenance	2.88	2.88
Parish Library	7.07	7.07
Health Unit Fund	2.88	2.88

Total ad valorem tax revenues recognized by the Parish Government were \$6,348,901 for the year ended December 31, 2017.

The following are the top five taxpayers for the Parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of</u> <u>Total Assessed</u> <u>Valuation</u>
Alliance Compressors	\$10,577,100	15%
Pilgrims Pride Corp.	4,683,610	8%
City Bank & Trust	1,480,490	4%
Bank of Montgomery	1,425,240	3%
CP-Tel Network Services, Inc.	<u>1,301,650</u>	<u>1%</u>
Total	<u>\$19,468,090</u>	<u>43%</u>

11. Lease Commitments

The Parish Government has commitments under several operating lease agreements for land use, voting precinct space, equipment, and miscellaneous. Generally, these lease agreements are cancelable by the Parish Government at any time. Parish Government management does feel, however, that such leases will generally be renewed or replaced each year. Total rental expense under operating leases was approximately \$13,000 during 2017.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

12. Dedication of Proceeds and Flow of Funds-Sales & Use Tax

Proceeds of the 1% Sales and Use Tax levied by the Natchitoches Parish Government (2017 collections \$2,193,517) are dedicated to the following purposes:

- A) To pay the normal operating expenses involved in collecting the tax;
- B) To fund the operations for waste disposal;
- C) To fund the operations of the Road Maintenance Fund with any remaining balance.

13. Criminal Court Fund

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the parish General Fund. Since the Parish Government's General Fund supports the Criminal Court Fund, no such transfer is made by the Natchitoches Parish Government.

14. Schedule of Compensation Paid to Council Members

<u>Member</u>	<u>Council</u>
Patsy Hoover	\$ 6,000
Doug De Graffenried	6,000
Rodney Bedgood	6,000
Chris Paige	6,000
Russell Rachal	<u>6,000</u>
Total	<u>\$30,000</u>

15. Post-Employment Benefits

Plan Description. The Natchitoches Parish Government's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Medical Benefits - Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: For employees hired prior to January 1, 2007, earlier of age 55 with 25 years of service; age 60 with 10 years of service; age 65 with 7 years of service; or 30 years of service without regard to age. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 with 30 years of service; age 62 with 10 years of service; or, age 67 with 7 years of service.

The Government pays 100% of the required contribution for the individual coverage tier and 50% of the extra contribution for dependent coverage. Coverage continues for the life of the retiree. Benefits are administered by Blue Cross Blue Shield of Louisiana. A Medicare supplement plan is provided to retirees and spouses age 65 and older. A small group of retirees age 65 and older are not covered by the Medicare supplement but participate in the active employee medical plan.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Other Benefits – Dental and vision benefits are available to retirees. The Government pays 100% of the cost of the individual coverage and 50% of the additional dependent coverage. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption. The dental actuarial costs and liabilities are included in the medical results.

A graded death benefit is provided for the life of the retiree with the Government paying 100% of the contribution. The death benefit is \$40,000 to age 65, \$26,000 for ages 65-69, \$18,000 for ages 70-74, \$12,000 for ages 75-59, \$8,000 for ages 80-84, and \$6,000 after ages 85 and older. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2014, the Natchitoches Parish Government recognized the cost of providing post-employment medical and life insurance benefits (the Natchitoches Parish Government’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017, 2016 and 2015, the Natchitoches Parish Government’s portion of health care and life insurance funding cost for retired employees totaled \$312,990, \$260,005 and \$240,745, respectively.

Effective January 1, 2014, the Natchitoches Parish Government implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Natchitoches Parish Government’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$324,584	\$348,019
30-year UAL amortization amount	466,792	599,482
Annual required contribution (ARC)	<u>\$791,376</u>	<u>\$947,501</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Net Post-employment Benefit Obligation (Asset) – The table below shows the Natchitoches Parish Government’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$1,975,882	\$1,311,775
Annual required contribution	791,376	947,501
Interest on Net OPEB Obligation	79,035	52,471
ARC Adjustment	(112,046)	(75,860)
OPEB Cost	\$ 758,365	\$ 924,112
Contribution to Irrevocable Trust	0	0
Current year retiree premium	(312,990)	(260,005)
Change in Net OPEB Obligation	445,375	664,107
Ending Net OPEB Obligation	<u>\$2,421,257</u>	<u>\$1,975,882</u>

The following table shows the Natchitoches Parish Government’s annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for the last three years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2015	\$899,414	26.77%	\$1,311,775
December 31, 2016	\$924,112	28.14%	\$1,975,882
December 31, 2017	\$758,365	41.27%	\$2,421,257

Funded Status and Funding Progress – In 2017, 2016 and 2015, the Natchitoches Parish Government made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2017 actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$8,118,279 which is defined as that portion, as determined by a particular actuarial cost method (the Natchitoches Parish Government uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as of Percentage of Covered Payroll</u>
January 1, 2015	\$0	\$10,366,328	\$10,366,328	0%	\$3,833,514	270.41%
January 1, 2016	\$0	\$10,780,981	\$10,780,981	0%	\$3,585,622	300.67%
January 1, 2017	\$0	\$ 8,118,279	\$ 8,118,279	0%	\$3,677,572	220.75%

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

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

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

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – A turnover scale based on years of service has been used. Sample rates: 5 years-9.00%, 10 years-4.00%, and 20 years-1.00%.

Post-employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – A level trend rate of 5.50% is used for the medical benefits and a level trend rate of 2.00% is used for the dental/vision benefits.

Mortality Rate – The RPH-2014 Total Table with Projection MP-2017 is used.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2017

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees and 50% for dependents. The rates provided applicable before age 65 are "blended" rates. Since GASB Codification Section P50 mandates that "unblended" rates be used, we have estimated the "unblended" rates before Medicare eligibility to be 130% of the blended rates. The rates provided applicable after Medicare eligibility were unblended as required.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 3.00% annually.

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

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

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

	OPEB Costs and Contributions		
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
OPEB Cost	\$899,414	\$924,112	\$758,365
Contribution	0	0	0
Retiree premium	240,745	260,005	312,990
Total contribution and premium	<u>\$240,745</u>	<u>\$260,005</u>	<u>\$312,990</u>
Change in net OPEB obligation	<u>\$658,669</u>	<u>\$664,107</u>	<u>\$445,375</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	26.77%	28.14%	41.27%

16. Subsequent Events

Management has evaluated events through June 11, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

17. Restatement of Fund Balance/Net Position

Prior year payroll liabilities were incorrectly stated. The net effect of the restatement was to increase net position and fund balance of the Parish Government by \$39,090.

OTHER REQUIRED SUPPLEMENTAL INFORMATION

Natchitoches Parish Government
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$1,009,956	\$ 1,122,329	\$ 1,114,637	\$ (7,692)
Licenses & Permits	288,500	280	289,371	289,091
Intergovernmental- State Grants	623,086	660,091	645,150	(14,941)
Charges for Services	10	5	0	(5)
Interest & Miscellaneous	<u>88,000</u>	<u>187,106</u>	<u>157,796</u>	<u>(29,310)</u>
Total Revenues	<u>\$2,009,552</u>	<u>\$ 1,969,811</u>	<u>\$ 2,206,954</u>	<u>\$237,143</u>
Expenditures:				
General Government	\$ 503,434	\$ 699,896	\$ 707,055	\$ (7,159)
Public Safety	160,360	171,160	171,148	12
Health & Welfare	0	5,875	3,948	1,927
Economic Development	<u>25,000</u>	<u>43,070</u>	<u>18,063</u>	<u>25,007</u>
Total Expenditures	<u>\$ 688,794</u>	<u>\$ 920,001</u>	<u>\$ 900,214</u>	<u>\$ 19,787</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$1,320,758</u>	<u>\$ 1,049,810</u>	<u>\$ 1,306,740</u>	<u>\$256,930</u>
Other Financing Sources (Uses):				
Operating Transfers In	\$ 340,000	\$ 327,944	\$ 357,375	\$ 29,431
Operating Transfers Out	<u>0</u>	<u>(1,357,905)</u>	<u>(1,356,095)</u>	<u>1,810</u>
Total Other Financing	<u>\$ 340,000</u>	<u>\$(1,029,961)</u>	<u>\$ (998,720)</u>	<u>\$ 31,241</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$1,660,758</u>	<u>\$ 19,849</u>	<u>\$ 308,020</u>	<u>\$288,171</u>
Fund Balance-Beginning of Year	<u>1,760,164</u>	<u>1,760,164</u>	<u>1,760,164</u>	<u>0</u>
Fund Balance-End of Year	<u>\$3,420,922</u>	<u>\$ 1,780,013</u>	<u>\$ 2,068,184</u>	<u>\$288,171</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Road Maintenance Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem Taxes	\$1,047,703	\$1,247,703	\$1,056,195	\$ (191,508)
Intergovernmental-				
Federal Grants	414,032	756,751	275,144	(481,607)
State Grants	506,550	565,602	589,598	23,996
Miscellaneous	<u>600</u>	<u>25,645</u>	<u>31,106</u>	<u>5,461</u>
Total Revenues	<u>\$1,968,885</u>	<u>\$2,595,701</u>	<u>\$1,952,043</u>	<u>\$ (643,658)</u>
Expenditures:				
General Government-				
Finance & Administration	\$ 19,000	\$ 25,700	\$ 23,345	\$ 2,355
Public Works-				
Personnel Cost	1,179,185	1,090,585	973,428	117,157
Equipment Maintenance	40,000	40,000	39,932	68
Insurance	45,303	42,803	38,995	3,808
Fuel & Oil	202,000	183,600	158,986	24,614
Road & Bridge Materials	486,233	941,076	705,518	235,558
Other Supplies	103,250	126,295	96,032	30,263
Miscellaneous	121,670	123,396	63,649	59,747
Equipment Rental	66,380	68,245	125,737	(57,492)
Repairs & Maintenance	0	3,500	1,496	2,004
Capital Expenditures	<u>10,500</u>	<u>66,850</u>	<u>62,095</u>	<u>4,755</u>
Total Expenditures	<u>\$2,273,521</u>	<u>\$2,712,050</u>	<u>\$2,289,213</u>	<u>\$ 422,837</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (304,636)</u>	<u>\$ (116,349)</u>	<u>\$ (337,170)</u>	<u>\$ (220,821)</u>
Other Financing Sources (Uses):				
Operating Transfer In	\$ 600,000	\$ 600,000	\$ 600,000	\$ 0
Operating Transfers Out	<u>(360,000)</u>	<u>(456,667)</u>	<u>(362,820)</u>	<u>93,847</u>
Total Other Financing Sources (Uses)	<u>\$ 240,000</u>	<u>\$ 143,333</u>	<u>\$ 237,180</u>	<u>\$ 93,847</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (64,636)</u>	<u>\$ 26,984</u>	<u>\$ (99,990)</u>	<u>\$ (126,974)</u>
Fund Balance-Beginning of Year	<u>2,563,941</u>	<u>2,563,941</u>	<u>2,563,941</u>	<u>0</u>
Fund Balance-End of Year	<u>\$2,499,305</u>	<u>\$2,590,925</u>	<u>\$2,463,951</u>	<u>\$ (126,974)</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Taxes-				
Sales & Use Tax	\$ 2,309,104	\$ 2,309,104	\$ 2,193,517	\$(115,587)
Miscellaneous-				
Interest	<u>1,000</u>	<u>2,800</u>	<u>1,757</u>	<u>(1,043)</u>
Total Revenues	\$ 2,310,104	\$ 2,311,904	\$ 2,195,274	\$(116,630)
Expenditures:				
General Government-				
Finance & Administration	<u>63,948</u>	<u>65,998</u>	<u>39,260</u>	<u>26,738</u>
Excess of Revenues over Expenditures	\$ <u>2,246,156</u>	\$ <u>2,245,906</u>	\$ <u>2,156,014</u>	\$ <u>(89,892)</u>
Other Financing Sources (Uses):				
Operating Transfers To-				
Road Maintenance	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ 0
Solid Waste Disposal	<u>(1,900,000)</u>	<u>(1,995,100)</u>	<u>(1,995,000)</u>	<u>100</u>
Total Other Financing	\$(<u>2,400,000</u>)	\$(<u>2,495,100</u>)	\$(<u>2,495,000</u>)	\$ <u>100</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (153,844)	\$ (249,194)	\$ (338,986)	\$ (89,792)
Fund Balance-Beginning of Year	<u>1,752,777</u>	<u>1,752,777</u>	<u>1,752,777</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>1,598,933</u>	\$ <u>1,503,583</u>	\$ <u>1,413,791</u>	\$ <u>(89,792)</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Parish Library Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Taxes-				
Ad Valorem	\$2,215,000	\$2,374,000	\$2,294,418	\$ (79,582)
Intergovernmental-				
Local Grants	3,000	3,000	2,288	(712)
Charges for Services	9,000	16,456	14,544	(1,912)
Fines & Forfeits	9,200	12,900	11,936	(964)
Miscellaneous	<u>7,100</u>	<u>21,600</u>	<u>12,299</u>	<u>(9,301)</u>
Total Revenues	<u>\$2,243,300</u>	<u>\$2,427,956</u>	<u>\$2,335,485</u>	<u>\$ (92,471)</u>
Expenditures:				
Recreation & Culture-				
Personnel Cost	\$1,548,000	\$1,463,000	\$1,358,929	\$104,071
Travel	18,700	20,550	17,397	3,153
Utilities & Telephone	88,000	88,000	66,264	21,736
Building & Equip. Maint.	110,000	45,000	14,094	30,906
Books, Magazines, etc.	216,000	183,500	131,559	51,941
Insurance	17,500	17,500	17,241	259
Supplies	141,000	131,800	105,878	25,922
Professional Services	22,000	22,000	8,360	13,640
Processing	28,000	28,000	27,026	974
Equipment Rental	19,000	19,000	10,175	8,825
Miscellaneous	25,100	37,500	44,434	(6,934)
Capital Expenditures	<u>30,000</u>	<u>5,450</u>	<u>2,884</u>	<u>2,566</u>
Total Expenditures	<u>\$2,263,300</u>	<u>\$2,061,300</u>	<u>\$1,804,241</u>	<u>\$257,059</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (20,000)	\$ 366,656	\$ 531,244	\$164,588
Fund Balance-Beginning of Year	<u>3,728,683</u>	<u>3,728,683</u>	<u>3,728,683</u>	<u>0</u>
Fund Balance-End of Year	<u>\$3,708,683</u>	<u>\$4,095,339</u>	<u>\$4,259,927</u>	<u>\$164,588</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Disposal Solid Waste
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:				
Charges for Services	\$ <u>48,383</u>	\$ <u>121,383</u>	\$ <u>115,240</u>	\$ <u>(6,143)</u>
Expenditures:				
Public Works-				
Personnel Cost	\$ 652,516	\$ 641,016	\$ 617,505	\$ 23,511
Insurance	0	4,625	4,614	11
Fuel & Oil	12,500	13,470	8,521	4,949
Other Supplies	33,200	34,300	10,835	23,465
Miscellaneous	37,572	44,688	42,024	2,664
Equipment Rental	2,500	7,492	2,935	4,557
Solid Waste Operations	1,246,586	1,302,586	1,159,775	142,811
Repairs & Maintenance	80,000	84,800	51,272	33,528
Capital Expenditures	<u>50,000</u>	<u>50,000</u>	<u>2,884</u>	<u>47,116</u>
Total Expenditures	\$ <u>2,114,874</u>	\$ <u>2,182,977</u>	\$ <u>1,900,365</u>	\$ <u>282,612</u>
Excess of Revenues over Expenditures	\$(2,066,491)	\$(2,061,594)	\$(1,785,125)	\$(290,550)
Other Financing Uses:				
Operating Transfers From- Sales Tax Fund	<u>1,900,000</u>	<u>1,905,000</u>	<u>1,995,000</u>	<u>(90,000)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	\$ (166,491)	\$ (156,594)	\$ 209,875	\$ 366,469
Fund Balance-Beginning of Year	<u>(2,157)</u>	<u>(2,157)</u>	<u>(2,157)</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>(168,648)</u>	\$ <u>(158,751)</u>	\$ <u>207,718</u>	\$ <u>366,469</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Government Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem	\$ 907,494	\$ 949,494	\$ 930,286	\$ (19,208)
Intergovernmental-				
Local Grants	0	63,400	63,258	(142)
Miscellaneous	<u>1,200</u>	<u>2,400</u>	<u>2,360</u>	<u>(40)</u>
Total Revenues	<u>\$ 908,694</u>	<u>\$1,015,294</u>	<u>\$ 995,904</u>	<u>\$ (19,390)</u>
Expenditures:				
General Government-				
Personnel Cost	\$ 278,941	\$ 288,441	\$ 274,553	\$ 13,888
Utilities & Telephone	136,134	136,134	103,113	33,021
Repairs & Maintenance	617,287	517,287	287,836	229,451
Insurance	29,290	32,040	31,850	190
Building & Grounds Supplies	45,363	45,363	41,343	4,020
Miscellaneous	11,035	40,255	36,141	4,114
Capital Expenditures	<u>75,000</u>	<u>75,000</u>	<u>37,427</u>	<u>37,573</u>
Total Expenditures	<u>\$1,193,050</u>	<u>\$1,134,520</u>	<u>\$ 812,263</u>	<u>\$322,257</u>
Excess of Revenues over Expenditures	\$ (284,356)	\$ (119,226)	\$ 183,641	\$302,867
Fund Balance-Beginning of Year	<u>2,623,751</u>	<u>2,623,751</u>	<u>2,623,751</u>	<u>0</u>
Fund Balance-End of Year	<u>\$2,339,395</u>	<u>\$2,504,525</u>	<u>\$2,807,392</u>	<u>\$302,867</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Health Unit Maintenance Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Taxes-				
Ad Valorem	\$ 897,736	\$ 962,936	\$ 953,365	\$ (9,571)
Miscellaneous	<u>750</u>	<u>1,550</u>	<u>1,536</u>	<u>(14)</u>
Total Revenues	<u>\$ 898,486</u>	<u>\$ 964,486</u>	<u>\$ 954,901</u>	<u>\$ (9,585)</u>
Expenditures:				
General Government-				
Personnel Cost	\$ 302,925	\$ 267,100	\$ 289,494	\$ (22,394)
Travel	2,000	2,000	463	1,537
Utilities & Telephone	27,262	27,262	21,731	5,531
Repairs & Maintenance	53,659	56,859	26,307	30,552
DHHR	35,000	35,000	0	35,000
Insurance	11,234	11,234	10,731	503
Supplies	35,425	39,625	22,004	17,621
Equipment Rental	19,695	19,695	14,695	5,000
Miscellaneous	102,700	119,423	21,060	98,363
Contract Payments	100,000	6,000	445	5,555
Capital Expenditures	<u>25,000</u>	<u>10,000</u>	<u>5,435</u>	<u>4,565</u>
Total Expenditures	<u>\$ 714,900</u>	<u>\$ 594,198</u>	<u>\$ 412,365</u>	<u>\$181,833</u>
Excess of Revenues over Expenditures	\$ 183,586	\$ 370,288	\$ 542,536	\$172,248
Other Financing Uses:				
Operating Transfers From- Sales Tax Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	\$ (116,414)	\$ 70,288	\$ 242,536	\$172,248
Fund Balance-Beginning of Year	<u>1,617,210</u>	<u>1,617,210</u>	<u>1,617,210</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,500,796</u>	<u>\$1,687,498</u>	<u>\$1,859,746</u>	<u>\$172,248</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Office of Community Services-Head Start Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2017

	Completed Grant 7-1-15 to 2-28-16				
	Budget Program Year <u>2016-2017</u>	Prior Year <u>Actual</u>	Current Year <u>Actual</u>	Total 2016-2017 <u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:					
Intergovernmental-					
Federal Grant – DHHS	\$2,304,822	\$1,750,011	\$479,055	\$2,229,066	\$ (75,756)
Miscellaneous/In Kind	<u>0</u>	<u>306</u>	<u>121,764</u>	<u>122,070</u>	<u>0</u>
Total Revenues	<u>\$2,304,822</u>	<u>\$1,750,317</u>	<u>\$600,819</u>	<u>\$2,351,136</u>	<u>\$ (75,756)</u>
Expenditures:					
Program Administration-					
Salaries	\$ 139,126	\$ 96,209	\$ 20,594	\$ 116,803	\$ 22,323
Fringe	73,647	37,622	8,733	46,355	27,292
Travel	847	2,970	340	3,310	(2,463)
Operating Services	22,072	8,788	6,388	15,176	6,896
Operating Supplies	3,872	3,930	4,438	8,368	(4,496)
Program Services-					
Salaries	1,068,413	794,259	169,444	963,703	104,710
Fringe	649,279	537,369	74,253	611,622	37,657
Travel	4,008	6,615	1,201	7,816	(3,808)
Operating Services-					
Utilities	60,949	44,812	12,364	57,176	3,773
Telephone	12,500	13,376	3,784	17,160	(4,660)
Maintenance & Repairs	38,000	19,238	34,702	53,940	(15,940)
Contract Payments	36,022	44,384	7,469	51,853	(15,831)
Other	0	36,010	6,056	42,066	(42,066)
Operating Supplies-					
Program Supplies	176,471	52,177	98,237	150,414	26,057
Office Supplies	15,616	12,027	4,133	16,160	(544)
Food	4,000	14,773	0	14,773	(10,773)
Capital Expenditures	0	0	0	0	0
In Kind Expenditures	<u>0</u>	<u>0</u>	<u>121,764</u>	<u>121,764</u>	<u>(121,764)</u>
Total Expenditures	<u>\$2,304,822</u>	<u>\$1,724,559</u>	<u>\$573,900</u>	<u>\$2,298,459</u>	<u>\$ 6,363</u>
Excess of Revenues over Expenditures	\$ <u>0</u>	\$ <u>25,758</u>	\$ <u>26,919</u>	\$ <u>52,677</u>	\$ <u>(69,393)</u>
Other Financing Uses:					
Transfer (To)/From-					
General Fund	\$ 0	\$ 12,989	\$ (16,977)	\$ (3,988)	\$ 0
Child Care Food Program	<u>0</u>	<u>(44,824)</u>	<u>0</u>	<u>(44,824)</u>	<u>(44,824)</u>
Total Other Financing Sources	\$ <u>0</u>	\$ <u>(31,835)</u>	\$ <u>(16,977)</u>	\$ <u>(48,812)</u>	\$ <u>(44,824)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	\$ 0	\$ (6,077)	\$ 9,942	\$ 3,865	\$(114,216)
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>27,404</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ (6,077)</u>	<u>\$ 37,346</u>	<u>\$ 3,865</u>	<u>\$(114,216)</u>

See independent auditor's report and notes to financial statements.

<u>Grant in Progress 3-1-16 to 2-28-17</u>			
<u>Budget</u> Program Year <u>2017-2018</u>	<u>Current</u> Year <u>Actual</u>	<u>Remaining</u> <u>Budget</u>	<u>Total Current</u> Year Actual <u>All Grants</u>
\$2,357,550	\$1,778,105	\$ 579,445	\$2,257,160
<u>0</u>	<u>458,404</u>	<u>(458,404)</u>	<u>580,168</u>
<u>\$2,357,550</u>	<u>\$2,236,509</u>	<u>\$ 121,041</u>	<u>\$2,837,328</u>
\$ 162,326	\$ 89,938	\$ 72,388	\$ 110,532
50,945	31,892	19,053	40,625
2,025	2,011	14	2,351
22,082	13,326	8,756	19,714
4,384	4,315	69	8,753
1,068,679	853,436	215,243	1,022,880
582,733	446,778	135,955	521,031
7,355	5,498	1,857	6,699
53,450	41,445	12,005	53,809
24,252	12,251	12,001	16,035
46,300	12,239	34,061	46,941
44,375	36,873	7,502	44,342
39,996	14,991	25,005	21,047
177,748	80,754	96,994	178,991
18,666	9,367	9,299	13,500
29,079	29,079	0	29,079
23,156	21,711	1,445	21,711
<u>0</u>	<u>458,404</u>	<u>(458,404)</u>	<u>580,168</u>
<u>\$2,357,551</u>	<u>\$2,164,308</u>	<u>\$ 193,243</u>	<u>\$2,738,208</u>
\$ <u>0</u>	\$ <u>72,201</u>	\$ <u>72,202</u>	\$ <u>99,120</u>
\$ 0	\$ 6,419	\$ 6,419	\$ (10,558)
<u>0</u>	<u>(14,418)</u>	<u>(14,418)</u>	<u>(14,418)</u>
\$ <u>0</u>	\$ <u>(7,999)</u>	\$ <u>(7,999)</u>	\$ <u>(24,976)</u>
\$ 0	\$ 64,203	\$ 64,203	\$ 74,144
<u>0</u>	<u>0</u>	<u>0</u>	<u>27,404</u>
\$ <u>0</u>	\$ <u>64,203</u>	\$ <u>64,203</u>	\$ <u>101,548</u>

Natchitoches Parish Government
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2017

<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>Parochial Employees' Retirement System</i>					
2015	.722994%	\$ 197,341	\$3,967,151	4.974%	98.891%
2016	.689525%	\$1,815,028	\$3,951,281	45.935%	99.315%
2017	.666258%	\$1,372,169	\$3,957,296	34.674%	94.149%
<i>District Attorneys' Retirement System</i>					
2015	.251955%	\$ 13,571	\$ 103,650	13.104%	98.561%
2016	.133664%	\$ 25,584	\$ 85,343	29.980%	95.090%
2017	.133352%	\$ 35,968	\$ 102,523	35.083%	93.572%
<i>Registrar of Voters Employees' Retirement System</i>					
2015	.1674096%	\$ 40,999	\$ 24,642	166.378%	76.857%
2016	.1699960%	\$ 48,235	\$ 21,454	224.830%	73.980%
2017	.1624950%	\$ 35,669	\$ 21,638	164.842%	80.507%

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Schedule of Employer Contributions
For the Year Ended December 31, 2017

<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>Parochial Employees' Retirement System</i>					
2015	\$536,639	\$536,639	\$0	\$3,967,151	13.53%
2016	\$513,666	\$513,666	\$0	\$3,951,281	12.99%
2017	\$494,662	\$494,662	\$0	\$3,957,296	12.50%
<i>District Attorneys' Retirement System</i>					
2015	\$ 5,450	\$ 5,450	\$0	\$103,560	5.26%
2016	\$ 613	\$ 613	\$0	\$ 85,343	0.72%
2017	\$ 0	\$ 0	\$0	\$102,523	0.00%
<i>Registrar of Voters Employees' Retirement System</i>					
2015	\$ 5,744	\$ 5,744	\$0	\$ 24,642	23.31%
2016	\$ 4,543	\$ 4,543	\$0	\$ 21,454	21.18%
2017	\$ 4,005	\$ 4,005	\$0	\$ 21,638	18.51%

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017

Agency Head Name: Rick Nowlin, Parish President

<u>Purpose</u>	<u>Amount</u>
Salary	\$81,443
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Other (Social Security/Medicare)	6,230
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per Diem	0
Reimbursements (State & National Conferences)	0
Travel	1,050
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$88,723</u>

See independent auditor's report.

OTHER SUPPLEMENTAL SCHEDULES

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Special Revenue Funds				
	Criminal Court Fund	Civil Defense Fund	Natchitoches Parish Litter Court	Kisatchie Search & Rescue	Recreation & Fitness
<u>Assets</u>					
Cash	\$159,732	\$17,236	\$461	\$21,480	\$772
Revenue Receivables	52,426	26,075	0	0	0
Prepaid Expense	0	0	0	0	0
Due from Other Funds	<u>5,595</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$217,753</u>	<u>\$43,311</u>	<u>\$461</u>	<u>\$21,480</u>	<u>\$772</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0	0	0
Accrued Payroll	0	814	0	0	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 814</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fund Balance</u>					
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	217,753	42,497	461	21,480	772
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>\$217,753</u>	<u>\$42,497</u>	<u>\$461</u>	<u>\$21,480</u>	<u>\$772</u>
 Total Liabilities & Fund Balance	 <u>\$217,753</u>	 <u>\$43,311</u>	 <u>\$461</u>	 <u>\$21,480</u>	 <u>\$772</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds

<u>Planning</u>	<u>Title III Kisatchie Search & Rescue</u>	<u>Public Safety</u>	<u>Criminal Law/ Juror Fees</u>	<u>Coroner</u>	<u>OCS Operating</u>	<u>OCS Family Daycare</u>
\$155,455	\$115,782	\$ 163,139	\$19,107	\$13,362	\$608	\$110
0	28,768	0	8,082	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$155,455</u>	<u>\$144,550</u>	<u>\$ 163,139</u>	<u>\$27,189</u>	<u>\$13,362</u>	<u>\$608</u>	<u>\$110</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	57,269	0	0	0	0
58	0	0	0	0	0	0
0	0	654,223	0	0	0	0
0	0	5,595	0	0	0	0
<u>\$ 58</u>	<u>\$ 0</u>	<u>\$ 717,087</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
155,397	144,550	0	27,189	13,362	608	110
0	0	(553,948)	0	0	0	0
<u>\$155,397</u>	<u>\$144,550</u>	<u>\$(553,948)</u>	<u>\$27,189</u>	<u>\$13,362</u>	<u>\$608</u>	<u>\$110</u>
<u>\$155,455</u>	<u>\$144,550</u>	<u>\$ 163,139</u>	<u>\$27,189</u>	<u>\$13,362</u>	<u>\$608</u>	<u>\$110</u>

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Special Revenue Funds				
	<u>OHD</u> <u>LIHEAP</u>	<u>DOL</u> <u>CSBG</u>	<u>OCS</u> <u>RSVP</u>	<u>CCIP</u> <u>CACFP</u>	<u>CHC</u> <u>Head Start</u> <u>Handicap</u>
<u>Assets</u>					
Cash	\$50,246	\$14,908	\$3,050	\$32,262	\$ 23
Revenue Receivables	0	36,290	0	46,807	0
Prepaid Expense	0	0	0	0	0
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$50,246</u>	<u>\$51,198</u>	<u>\$3,050</u>	<u>\$79,069</u>	<u>\$ 23</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 48	\$ 1,289	\$ 650	\$ 0	\$ 71
Accounts Payable	0	0	0	7,251	0
Accrued Payroll	0	0	0	0	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 48</u>	<u>\$ 1,289</u>	<u>\$ 650</u>	<u>\$ 7,251</u>	<u>\$ 71</u>
<u>Fund Balance</u>					
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	50,198	49,909	2,400	71,818	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(48)</u>
Total Fund Balance	<u>\$50,198</u>	<u>\$49,909</u>	<u>\$2,400</u>	<u>\$71,818</u>	<u>\$(48)</u>
Total Liabilities & Fund Balance	<u>\$50,246</u>	<u>\$51,198</u>	<u>\$3,050</u>	<u>\$79,069</u>	<u>\$ 23</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds						
TTA/ CDA	OCS Food Bank	Elderly Entertainment	Senior Companion Program	Summer Feeding Program	Wal-Mart VAP Fund	International Paper Grant
\$ 192	\$786	\$630	\$38,101	\$9,245	\$5,768	\$421
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>\$ 192</u>	<u>\$786</u>	<u>\$630</u>	<u>\$38,101</u>	<u>\$9,245</u>	<u>\$5,768</u>	<u>\$421</u>
\$ 0	\$ 0	\$ 0	\$ 3,835	\$ 0	\$ 0	\$ 0
3,837	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 3,837</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,835</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	786	630	34,266	9,245	5,768	421
<u>(3,645)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$(3,645)</u>	<u>\$786</u>	<u>\$630</u>	<u>\$34,266</u>	<u>\$9,245</u>	<u>\$5,768</u>	<u>\$421</u>
<u>\$ 192</u>	<u>\$786</u>	<u>\$630</u>	<u>\$38,101</u>	<u>\$9,245</u>	<u>\$5,768</u>	<u>\$421</u>

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Special Revenue Funds			Capital Projects Funds		
	O/S Reimb. for HD	Prime Time Reading Program	Old River Road	FEMA Grant	LCDBG LA Step Grant	LCDBG Grant
<u>Assets</u>						
Cash	\$138	\$0	\$65,000	\$1	\$1	\$1
Revenue Receivables	0	0	0	0	0	0
Prepaid Expense	0	0	0	0	0	0
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$138</u>	<u>\$0</u>	<u>\$65,000</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>
<u>Liabilities</u>						
Cash Overdraft	\$ 0	\$0	\$ 0	\$0	\$0	\$0
Accounts Payable	0	0	0	0	0	0
Accrued Payroll	0	0	0	0	0	0
Due to Other Governments	0	0	0	0	0	0
Due to Other Funds	<u>0</u>	<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>	<u>\$0</u>
<u>Fund Balance</u>						
Restricted	\$ 0	\$0	\$ 0	\$0	\$0	\$0
Nonspendable	138	0	65,000	1	1	1
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>\$138</u>	<u>\$0</u>	<u>\$65,000</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>
 Total Liabilities & Fund Balance	 <u>\$138</u>	 <u>\$0</u>	 <u>\$65,000</u>	 <u>\$1</u>	 <u>\$1</u>	 <u>\$1</u>

See independent auditor's report and notes to financial statements.

Capital Projects Funds							
LCDBG Martco Grant	LA 480 State Grant Fund	Coco Bed Road	Payne Street Subdivisions	Fish Hatchery Road	Disaster Recovery	Capital Outlay	Total Nonmajor Governmental Funds
\$1	\$25,000	\$83,580	\$74,400	\$41,667	\$1,982	\$47,953	\$1,162,600
0	0	0	0	0	0	0	198,448
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,595</u>
<u>\$1</u>	<u>\$25,000</u>	<u>\$83,580</u>	<u>\$74,400</u>	<u>\$41,667</u>	<u>\$1,982</u>	<u>\$47,953</u>	<u>\$1,366,643</u>
\$0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,893
0	0	0	0	0	0	0	68,357
0	0	0	0	0	0	0	872
0	0	0	0	0	0	0	654,223
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,595</u>
<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 734,940</u>
\$0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1	25,000	83,580	74,400	41,667	1,982	47,953	1,189,344
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(557,641)</u>
<u>\$1</u>	<u>\$25,000</u>	<u>\$83,580</u>	<u>\$74,400</u>	<u>\$41,667</u>	<u>\$1,982</u>	<u>\$47,953</u>	<u>\$ 631,703</u>
<u>\$1</u>	<u>\$25,000</u>	<u>\$83,580</u>	<u>\$74,400</u>	<u>\$41,667</u>	<u>\$1,982</u>	<u>\$47,953</u>	<u>\$1,366,643</u>

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Special Revenue Funds				
	Criminal Court Fund	Civil Defense Fund	Natchitoches Parish Litter Court	Kisatchie Search & Rescue	Recreation & Fitness
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	0	0	0	0
State Grants	32,253	0	0	0	0
Other Grants	293,544	52,253	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	230,445	0	0	0	0
Interest & Miscellaneous	<u>184</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 556,426</u>	<u>\$52,253</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	675,120	55,639	0	0	0
Public Works	0	0	0	0	0
Health & Welfare	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 675,120</u>	<u>\$55,639</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues over Expenditures	\$(118,694)	\$(3,386)	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):					
Operating Transfers In	\$ 51,000	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 51,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (67,694)	\$(3,386)	\$ 0	\$ 0	\$ 0
Fund Balances (Deficit)- Beginning of Year	<u>285,447</u>	<u>45,883</u>	<u>461</u>	<u>21,480</u>	<u>772</u>
Fund Balances (Deficit)- End of Year	<u>\$ 217,753</u>	<u>\$42,497</u>	<u>\$461</u>	<u>\$21,480</u>	<u>\$772</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds

<u>Planning</u>	<u>Title III Kisatchie Search & Rescue</u>	<u>Public Safety</u>	<u>Criminal Law/ Juror Fees</u>	<u>Coroner</u>	<u>OCS Operating</u>	<u>OCS Family Daycare</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
166,628	0	0	0	0	0	0
0	1,872	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	75,000	0	0
0	0	0	0	0	0	0
0	0	0	48,195	0	0	0
<u>152</u>	<u>0</u>	<u>34,842</u>	<u>1,440</u>	<u>0</u>	<u>78</u>	<u>0</u>
<u>\$166,780</u>	<u>\$ 1,872</u>	<u>\$ 34,842</u>	<u>\$49,635</u>	<u>\$ 75,000</u>	<u>\$ 78</u>	<u>\$ 0</u>
\$132,734	\$ 0	\$ 167,293	\$ 0	\$ 0	\$ 0	\$ 0
0	0	860,930	43,724	95,375	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>\$132,734</u>	<u>\$ 0</u>	<u>\$1,028,223</u>	<u>\$43,724</u>	<u>\$ 95,375</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 34,046	\$ 1,872	\$ (993,381)	\$ 5,911	\$(20,375)	\$ 78	\$ 0
\$ 0	\$ 0	\$1,083,150	\$ 0	\$ 30,000	\$ 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>\$1,083,150</u>	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 34,046	\$ 1,872	\$ 89,769	\$ 5,911	\$ 9,625	\$ 78	\$ 0
<u>121,351</u>	<u>142,678</u>	<u>(643,717)</u>	<u>21,278</u>	<u>3,737</u>	<u>530</u>	<u>110</u>
<u>\$155,397</u>	<u>\$144,550</u>	<u>\$ (553,948)</u>	<u>\$27,189</u>	<u>\$ 13,362</u>	<u>\$608</u>	<u>\$110</u>

Continued next page.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Special Revenue Funds				
	<u>OHD</u> <u>LIHEAP</u>	<u>DOL</u> <u>CSBG</u>	<u>OCS</u> <u>RSVP</u>	<u>CCIP</u> <u>CACFP</u>	<u>CHC</u> <u>Head Start</u> <u>Handicap</u>
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	27,149	169,845	0	223,337	42,476
State Grants	0	0	0	0	0
Other Grants	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Interest & Miscellaneous	<u>71</u>	<u>0</u>	<u>0</u>	<u>136</u>	<u>0</u>
Total Revenues	<u>\$ 27,220</u>	<u>\$ 169,845</u>	<u>\$ 0</u>	<u>\$ 223,473</u>	<u>\$ 42,476</u>
Expenditures:					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0
Public Works	0	0	0	0	0
Health & Welfare	<u>35,626</u>	<u>167,495</u>	<u>0</u>	<u>260,971</u>	<u>45,786</u>
Total Expenditures	<u>\$ 35,626</u>	<u>\$ 167,495</u>	<u>\$ 0</u>	<u>\$ 260,971</u>	<u>\$ 45,786</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (8,406)</u>	<u>\$ 2,350</u>	<u>\$ 0</u>	<u>\$ (37,498)</u>	<u>\$ (3,510)</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ 55,064	\$ 36,290	\$ 0	\$ 42,848	\$ 3,510
Operating Transfers Out	<u>(55,064)</u>	<u>(14,150)</u>	<u>0</u>	<u>(6,511)</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 22,140</u>	<u>\$ 0</u>	<u>\$ 36,337</u>	<u>\$ 3,510</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (8,406)</u>	<u>\$ 24,490</u>	<u>\$ 0</u>	<u>\$ (1,161)</u>	<u>\$ 0</u>
Fund Balances (Deficit)-					
Beginning of Year	<u>58,604</u>	<u>25,419</u>	<u>2,400</u>	<u>72,979</u>	<u>(48)</u>
Fund Balances (Deficit)- End of Year	<u>\$ 50,198</u>	<u>\$ 49,909</u>	<u>\$ 2,400</u>	<u>\$ 71,818</u>	<u>\$ (48)</u>

See independent auditor's report and notes to financial statements.

Special Revenue Funds						
TTA/ CDA	OCS Food Bank	Elderly Entertainment	Senior Companion Program	Summer Feeding Program	Wal-Mart VAP Fund	International Paper Grant
\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0
17,632 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0	267,122 0 0 0 0 0	130,837 0 0 0 0 0	0 0 0 0 0 4,808	0 0 0 0 0 0
<u>\$17,632</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$267,122</u>	<u>\$130,837</u>	<u>\$4,808</u>	<u>\$ 0</u>
\$ 0 0 0 27,013 <u>\$27,013</u>	\$ 0 0 0 <u>0</u> <u>\$ 0</u>	\$ 0 0 0 <u>0</u> <u>\$ 0</u>	\$ 0 0 0 230,878 <u>\$230,878</u>	\$ 0 0 0 128,514 <u>\$128,514</u>	\$ 0 0 0 <u>0</u> <u>\$ 0</u>	\$ 0 0 0 <u>0</u> <u>\$ 0</u>
<u>\$ (9,381)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,244</u>	<u>\$ 2,323</u>	<u>\$4,808</u>	<u>\$ 0</u>
\$ 5,574 0 <u>\$ 5,574</u>	\$ 0 0 <u>\$ 0</u>	\$ 0 0 <u>\$ 0</u>	\$ 0 (8,015) <u>\$ (8,015)</u>	\$ 0 0 <u>\$ 0</u>	\$ 0 0 <u>\$ 0</u>	\$ 0 0 <u>\$ 0</u>
\$ (3,807)	\$ 0	\$ 0	\$ 28,229	\$ 2,323	\$4,808	\$ 0
<u>162</u>	<u>786</u>	<u>630</u>	<u>6,037</u>	<u>6,922</u>	<u>960</u>	<u>421</u>
<u>\$ (3,645)</u>	<u>\$786</u>	<u>\$630</u>	<u>\$ 34,266</u>	<u>\$ 9,245</u>	<u>\$5,768</u>	<u>\$421</u>

Continued next page.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Special Revenue Funds		Capital Projects Funds			
	O/S Reimb. for HD	Prime Time Reading Program	Old River Road	FEMA Grant	LCDBG LA Step Grant	LCDBG Grant
Revenues:						
Taxes-						
Ad Valorem	\$ 0	\$ 0	\$ 0	\$0	\$0	\$0
Licenses & Permits	0	0	0	0	0	0
Intergovernmental-						
Federal Grants	0	0	0	0	0	0
State Grants	0	0	0	0	0	0
Other Grants	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0	0
Interest & Miscellaneous	<u>3,291</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$3,291</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:						
Current-						
General Government	\$ 0	\$ 0	\$ 0	\$0	\$0	\$0
Public Safety	0	0	0	0	0	0
Public Works	0	0	0	0	0	0
Health & Welfare	<u>2,319</u>	<u>182</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$2,319</u>	<u>\$ 182</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 972</u>	<u>\$(182)</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Financing Sources (Uses):						
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$0	\$0	\$0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 972	\$(182)	\$ 0	\$0	\$0	\$0
Fund Balances (Deficit)-						
Beginning of Year	<u>(834)</u>	<u>182</u>	<u>65,000</u>	<u>1</u>	<u>1</u>	<u>1</u>
Fund Balances (Deficit)- End of Year	<u>\$ 138</u>	<u>\$ 0</u>	<u>\$65,000</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>

See independent auditor's report and notes to financial statements.

Capital Projects Funds							
LCDBG Martco Grant	LA 480 State Grant Fund	Coco Bed Road	Payne Street Subdivisions	Fish Hatchery Road	Disaster Recovery	Capital Outlay	Total Nonmajor Governmental Funds
\$0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0	166,628
0	0	0	0	0	0	0	880,070
0	0	0	0	0	0	0	32,253
0	0	0	0	0	0	0	420,797
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	278,640
0	0	0	0	0	0	0	45,002
<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,823,390</u>
\$0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,027
0	0	0	0	0	0	0	1,730,788
0	0	900	4,800	0	108,018	0	113,718
0	0	0	0	0	0	0	898,784
<u>\$0</u>	<u>\$ 0</u>	<u>\$ 900</u>	<u>\$ 4,800</u>	<u>\$ 0</u>	<u>\$ 108,018</u>	<u>\$ 0</u>	<u>\$ 3,043,317</u>
<u>\$0</u>	<u>\$ 0</u>	<u>\$ (900)</u>	<u>\$ (4,800)</u>	<u>\$ 0</u>	<u>\$ (108,018)</u>	<u>\$ 0</u>	<u>\$ (1,219,927)</u>
\$0	\$ 0	\$84,000	\$79,200	\$41,667	\$ 110,000	\$ 252,820	\$ 1,875,123
0	0	0	0	0	0	(204,867)	(288,607)
<u>\$0</u>	<u>\$ 0</u>	<u>\$84,000</u>	<u>\$79,200</u>	<u>\$41,667</u>	<u>\$ 110,000</u>	<u>\$ 47,953</u>	<u>\$ 1,586,516</u>
\$0	\$ 0	\$83,100	\$74,400	\$41,667	\$ 1,982	\$ 47,953	\$ 366,589
1	25,000	480	0	0	0	0	265,114
<u>\$1</u>	<u>\$25,000</u>	<u>\$83,580</u>	<u>\$74,400</u>	<u>\$41,667</u>	<u>\$ 1,982</u>	<u>\$ 47,953</u>	<u>\$ 631,703</u>

Natchitoches Parish Government
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Current Year Expenditures</u>
DIRECT PROGRAMS:		
U. S. Department of Agriculture- Kisatchie National Forest	10.666	\$ 191,788
Federal Emergency Management Agency- Disaster Grants – Public Assistance	97.036	223,889
Department of Health & Human Services- Head Start Program	93.600	2,232,366
Senior Companion Program	94.016	230,878
PASS-THROUGH PROGRAMS:		
Louisiana Department of Labor- Community Services Block Grant	93.569	167,494
Louisiana Housing Finance Agency Low-Income Energy Assistance Program	93.568	27,149
Louisiana Department of Education- Child Care Food Program	10.558	223,337
Summer Food Service Program	10.559	<u>130,837</u>
Totals		<u>\$3,427,738</u>

See independent auditor's report and notes to financial statements.

Natchitoches Parish Government
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

Basis of Accounting

The Parish Government's Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Parish Government's financial statements for the year ended December 31, 2017. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain type of expenditures are not allowable or are limited to reimbursement.

Indirect Cost Rate

The Parish Government has not elected to use the 10 percent de minimis indirect cost as allowed under the Uniform Guidance.

Subrecipients

There were no awards passed through to subrecipients.

OTHER REPORTS

Johnson, Thomas & Cunningham

Certified Public Accountants

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

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 President and Council Members
of the Natchitoches Parish Government

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, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish Government's basic financial statements and have issued our report thereon dated June 11, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Natchitoches Parish Government'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 Natchitoches Parish Government's internal control. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Government's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 Natchitoches Parish Government's 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 one instance of noncompliance or other matters (2017-001) that is required to be reported under *Government Auditing Standards*.

Natchitoches Parish Government's Response to Findings

The Natchitoches Parish Government's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Natchitoches Parish Government's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

June 11, 2018
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the President and Council Members of the
Natchitoches Parish Government

Report on Compliance for Each Major Federal Program

We have audited the Natchitoches Parish Government's compliance with the types of compliance requirements described in the *OMB Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the Natchitoches Parish Government's major federal programs for the year ended December 31, 2017. The Natchitoches Parish Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Natchitoches Parish Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Natchitoches Parish Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Natchitoches Parish Government's compliance.

Opinion on Each Major Federal Program

In our opinion, the Natchitoches Parish Government, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the Natchitoches Parish Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Natchitoches Parish Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Government's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

June 11, 2018
Natchitoches, Louisiana

Natchitoches Parish Government
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

I. SUMMARY OF AUDIT RESULTS

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

1. Since the Parish Government did not present all of its component units, an adverse opinion was issued for the Natchitoches Parish Government as a reporting entity; however, an unmodified opinion was issued on the primary government financial statements of the Natchitoches Parish Government as of and for the year ended December 31, 2017.
2. The audit disclosed no instances of material weaknesses in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* (2017-001).
4. The audit did not disclose any instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any instances of noncompliance related to federal awards that are required to be reported under the Uniform Guidance.
7. The following program was major for the year ended December 31, 2017:
 - Health and Human Services (CFDA #93.600)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish Government does not qualify as a low risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE*

The following findings relate to the financial statements and are required to be reported in accordance with *Government Auditing Standards*:

Compliance-

2017-001 *Local Government Budget Act*

Criteria - Louisiana Revised Statutes require that the operating budget be amended if actual revenues are less than budgeted revenues by 5% or more and/or actual expenditures exceed budgeted expenditures by 5% or more.

Natchitoches Parish Government
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Condition - For the year ended December 31, 2017, actual revenues were less than budgeted revenue by more than the 5% allowed in the Road Maintenance and Sales Tax Funds.

Effect - The budget cannot be used as an effective management tool to control revenues and expenditures.

Cause - Oversight of management to ensure the budget was properly amended prior to the year end.

Recommendation - The Parish Government should institute procedures to ensure that the budget is amended to comply with the Local Government Budget Act.

Management's Response - Management and the council will institute policies and procedures to ensure the budget is properly amended prior to end of the year to be in compliance with Budget Act.

III. PRIOR YEAR AUDIT FINDINGS

2016-001 *Control over Reconciliation of Solid Waste Collections*

Condition - The Natchitoches Parish Government collects cash for Solid Waste operations. These cash collections should be reconciled to bank deposits on a daily basis. Reconciliations for cash collections were not reconciled to bank deposits by persons not responsible for cash collection process.

Status - The condition is cleared as of December 31, 2017.

2016-002 *Control over Payroll Reconciliations*

Condition - Parish Government personnel are not performing reconciliations of payroll functions to the general ledger or to the payroll reports. The payroll system is designed to have a separate fund within the general ledger system to record the liabilities and subsequent payment of payroll related expenditures. This fund is not being reconciled back to the Parish Government funds which have payroll expenditures.

Status - The condition is cleared as of December 31, 2017.

Johnson, Thomas & Cunningham

Certified Public Accountants

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the President and Council Members
of the Natchitoches Parish Government

We have performed the procedures enumerated below, which were specified and agreed to by the President and Council Members of the Natchitoches Parish Government to assist the agency in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. We are required to perform each procedure and report the results, including any exceptions. Natchitoches Parish Government is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of Natchitoches Parish Government. 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. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:

- **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained and address the functions noted above.

- **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.

Written policies and procedures were obtained and address the functions noted above.

- **Disbursements**, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

- **Receipts**, including receiving, recording, and preparing deposits

Written policies and procedures were obtained; however, policy does not address procedures for payments received at landfill or library, nor does it address procedures for recording revenues.

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were obtained; however, exceptions were noted. Policy does not include the types of services requiring written contracts, and there are no procedures for legal review, approval or monitoring included in the written policies.

- **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, and (5) monitoring card usage

Written policies and procedures were obtained and address the functions of allowable business uses and documentation requirements. The policies do not address how cards are to be controlled, approval authority, or monitoring of card usage.

- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions of allowable expenses and documentation requirements. The policies do not provide clarification of thresholds for travel reimbursement and there is no mention of 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. Note: Ethics requirements are not applicable to nonprofits.

The overall policy manual addresses ethical conduct and behavior but does not define it and does not address any of the functions noted above.

- **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The only written debt service policy is related to the Debt Service Fund associated with long-term debt. The policy does not address any of the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

We obtained the minutes for all Council meetings held during the year, noting the managing board met in accordance with their policies, without exception.

- Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Budget-to-actual financial statements are presented at each meeting.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No deficit spending was noted.

- Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

We noted the minutes included non-budgetary financial information in each meeting (i.e., approval of contracts and amendments, bid proposals, and disbursements).

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We were provided with the listing by management.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- Bank reconciliations have been prepared;

We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.

- Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

No exception noted.

- If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

EXCEPTION – There is no documentation that management has researched reconciling items that have been outstanding for more than six months as of the end of the period.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Management provided the listing as requested.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). **For each cash collection location selected:**

- Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Management provided the documentation for the selected locations.
EXCEPTION – Due to the small number of office personnel, there are instances where the same person may be responsible for collecting funds, making bank deposits, and reconciling the account.*

- Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Management provided the documentation for the selected locations and the Parish Government does have written policies and procedures related to the reconciliation of cash collections to the general ledger, by a person who is not responsible for cash collections.

- Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Management provided the required documentation for the selected deposits. No exceptions were noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Collection documentation was obtained and no exceptions were noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Management provided the written procedures for collections, which addresses the process to determine completeness of collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

All purchase disbursements selected were initiated using a purchase order system. Included in the selection were recurring routine transactions that did not require purchase orders based on the Parish Government's policies and procedures.

- Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Each selection showed evidence of approval by a person who did not initiate the purchase, without exception.

- Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

All appropriate documentation was provided for each applicable selection, without exception.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

While the policy states that only the Treasurer may add vendors, there is no method to prohibit this function in the disbursements system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

We obtained the required documentation and noted no exceptions.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

We noted all unused checks are kept in a locked location, with access restricted to those persons that do not have signatory authority.

If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No exceptions noted.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided the required listing of credit cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Monthly statements were obtained and invoices were approved by someone other than the authorized card holder.

- Report whether finance charges and/or late fees were assessed on the selected statements.

No finance charges or fees were noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- For each transaction, we report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

Original receipts were provided for each transaction selected.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

- For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

We noted no exceptions in the selected transactions.

- For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We noted no exceptions in the selected transactions.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Management provided a listing of all travel and related expense reimbursements and represented that the listing was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No amounts listed exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

We noted no exceptions with the Parish Government's written policies in the selected transactions. We noted that mileage rates varied from person to person and were not consistently applied, although all rates were below the IRS and Louisiana Travel Guide thresholds.

- Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

We were provided with an itemized receipt for each of the selected transactions, without exception.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

We noted all required documentation was provided with each of the selected transactions, without exception.

- Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We noted no exceptions in the selected transactions.

- Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided the requested listing and representation.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Five contracts were selected. A formal/written contract was provided to support the agreements and amounts paid.

- Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No noncompliance noted.

- Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts were not amended.

- Selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

All changes to pay rates/salaries were approved in writing and in accordance with policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Supervisory approvals were noted on all selections, without exception.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

We observed the written leave records maintained for all selections, without exception.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Management provided a list of terminations during the fiscal period and represented that the list was complete. We found no exceptions to our procedures in the two termination payments selected.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

We noted no exceptions with regards to payroll taxes and retirement contributions.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

EXCEPTION – We noted that one employee in our selection did not complete the required ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Per inquiry of management, there were no alleged ethics violations reported to the Parish Government during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable – No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Parish Government had no outstanding debt during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report whether any millages continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, we obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Per discussion with the management, there were no funds or assets misappropriated during the period.

32. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We viewed the notice required by R.S. 24:523.1 posted on the Parish Government's premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Not applicable – no exceptions noted.

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 the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of the Natchitoches Parish Government and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

Johnson, Thomas + Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

June 11, 2018
Natchitoches, Louisiana

NATCHITOCHE PARISH GOVERNMENT
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1: The Government will update policies and implement procedures as needed to address the functions addressed below:

Receipts - Procedures for receiving payments at landfill and library; procedures for recording of cash.

Credit Cards – Procedures that address how cards are to be controlled, persons with authority for approval, and monitoring of card usage.

Contracting – Procedures for defining types of services requiring written contracts, legal review, approval and monitoring processes.

Travel and Expense Reimbursement – Clarification of travel reimbursement thresholds and procedures for approval by authorized personnel.

Ethics – Establish policy specifically related to prohibitions as defined in LA R.S. 42:1111-1121, actions to be taken if a violation takes place, system to monitor possible ethics violations, and requirement for annual attest through signature verification that ethics policy has been read.

Debt Service - Update policy to include debt issuance approval, EMMA reporting requirements, debt reserve requirements and debt service requirements.

Item 4: The Government will implement procedures to document that a member of management has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Item 6: The Government will implement procedures to ensure that the functions of collecting cash, making deposits, and reconciling accounts are not handled by the same person.

Item 26: The Government requires the mandatory ethics training for all public servants and will implement monitoring procedures to ensure that all employees complete the training on an annual basis.