

**VILLAGE OF NATCHEZ  
ANNUAL FINANCIAL REPORT**

**JUNE 30, 2012**

Village of Natchez  
Financial Report  
June 30, 2012

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# Johnson, Thomas & Cunningham

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### INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying financial statements of the governmental activities, the business-type activities, the major funds of the Village of Natchez and the accompanying supplemental information which is presented for supplementary analysis purposes only as of and for the year ended June 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Village is responsible for the preparation and fair presentation of the financial statements and supplementary information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary information.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary information.

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

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

August 15, 2013  
Natchitoches, LA 71457

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Village of Natchez  
Statement of Net Assets  
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets-			
Cash & Cash Equivalents	\$ 9,989	\$ 1,671	\$ 11,660
Accounts Receivable (net)	0	22,148	22,148
Due from Sewer Fund	12,350	0	12,350
Deposits	<u>50</u>	<u>0</u>	<u>50</u>
Total Current Assets	\$22,389	\$ 23,819	\$ 46,208
Noncurrent Assets-			
Capital Assets (net)	<u>42,332</u>	<u>1,042,321</u>	<u>1,084,653</u>
Total Assets	<u>\$64,721</u>	<u>\$1,066,140</u>	<u>\$1,130,861</u>
<b>LIABILITIES:</b>			
Current Liabilities-			
Accounts Payable	\$14,973	\$ 26,320	\$ 41,293
Payroll Liabilities	2,781	0	2,781
Due to General Fund	<u>0</u>	<u>12,350</u>	<u>12,350</u>
Total Liabilities	\$17,754	\$ 38,670	\$ 56,424
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	\$42,332	\$1,042,321	\$1,084,653
Unrestricted (Deficit)	<u>4,635</u>	<u>(14,851)</u>	<u>(10,216)</u>
Total Net Assets	<u>\$46,967</u>	<u>\$1,027,470</u>	<u>\$1,074,437</u>

See accompanying notes and independent accountant's compilation report.



FUND FINANCIAL STATEMENTS

Village of Natchez  
Balance Sheet-Governmental Funds  
June 30, 2012

	<u>Major Funds</u>		<u>Total Funds</u>
	<u>General Fund</u>	<u>Community Revitalization Fund</u>	
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,981	\$4,008	\$ 9,989
Due from Sewer Fund	12,350	0	12,350
Deposit	<u>50</u>	<u>0</u>	<u>50</u>
Total Assets	<u>\$18,381</u>	<u>\$4,008</u>	<u>\$22,389</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$14,973	\$ 0	\$14,973
Payroll Liabilities	<u>2,781</u>	<u>0</u>	<u>2,781</u>
Total Liabilities	<u>\$17,754</u>	<u>\$ 0</u>	<u>\$17,754</u>
<b>FUND BALANCES:</b>			
Restricted – Special Purposes	\$ 0	\$4,008	\$ 4,008
Unassigned	<u>627</u>	<u>0</u>	<u>627</u>
Total Fund Balances	<u>\$ 627</u>	<u>\$4,008</u>	<u>\$ 4,635</u>
Total Liabilities and Fund Balances	<u>\$18,381</u>	<u>\$4,008</u>	<u>\$22,389</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
June 30, 2012

Total Fund Balance for the Governmental Funds  
at June 30, 2012 \$ 4,635

Total Net Assets reported for Governmental Activities  
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not  
financial resources and, therefore, are not reported  
in the fund. Those assets consist of:

Land, Equipment, Buildings, and Vehicles	102,776
Less: Accumulated Depreciation	<u>(60,444)</u>

Total Net Assets of Governmental Activities  
at June 30, 2012 \$ 46,967

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2012

	<u>Major Funds</u>		<u>Total Funds</u>
	<u>General Fund</u>	<u>Community Revitalization Fund</u>	
Revenues:			
Taxes-			
Ad Valorem	\$ 6,540	\$ 0	\$ 6,540
Sales Tax	3,557	0	3,557
Licenses and Permits	133	0	133
Franchise Fee	3,006	0	3,006
Fines	32,375	0	32,375
Grant-Rapides Foundation	0	25,000	25,000
Miscellaneous-			
Interest	10	0	10
Other	<u>978</u>	<u>0</u>	<u>978</u>
Total Revenues	\$ 46,599	\$25,000	\$ 71,599
Expenditures:			
Current-			
General Government	<u>48,585</u>	<u>20,992</u>	<u>69,577</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (1,986)	\$ 4,008	\$ 2,022
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	<u>15,525</u>	<u>0</u>	<u>15,525</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ 13,539	\$ 4,008	\$ 17,547
Fund Balance-Beginning of Year	(12,912)	<u>0</u>	(12,912)
Fund Balance-End of Year	\$ <u>627</u>	\$ <u>4,008</u>	\$ <u>4,635</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
for the Year Ended June 30, 2012

Total Net Change in Fund Balance at June 30, 2012, per Statement of Revenues, Expenditures and Changes in Fund Balances	\$17,547
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Governmental Funds report Capital Expenditures as current expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	17,997
Depreciation Expense is reported in the government- wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expen- diture in the governmental funds. Current year depreciation expense is	<u>(6,457)</u>
Total changes in Net Assets at June 30, 2012, per Statement of Activities	<u>\$29,087</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Net Assets  
Proprietary Fund  
Year Ended June 30, 2012

ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 1,671
Accounts Receivable	43,464
Less, Allowance for Doubtful Accounts	<u>(21,316)</u>
Total Current Assets	\$ <u>23,819</u>
Noncurrent Assets:	
Capital Assets-	
Land	\$ 9,196
Other Capital Assets, net of depreciation	<u>1,033,125</u>
Total Noncurrent Assets	<u>\$1,042,321</u>
Total Assets	<u>\$1,066,140</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 26,320
Due to General Fund	<u>12,350</u>
Total Liabilities	\$ <u>38,670</u>
NET ASSETS:	
Invested in Capital Assets, net of related debt	\$1,042,321
Unrestricted	<u>(14,851)</u>
Total Net Assets	<u>\$1,027,470</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2012

OPERATING REVENUES:	
Charges for Services	\$ 46,371
Intergovernmental- State Grant	<u>55,292</u>
Total Revenues	\$ <u>101,663</u>
OPERATING EXPENSES:	
Depreciation	\$ 40,790
Personnel	4,690
Utilities/Telephone	13,391
Repairs & Maintenance	56,015
Supplies	6,541
Dues & Licenses	375
Other	<u>2,610</u>
Total Operating Expenses	\$ <u>124,412</u>
Operating Income (Loss)	\$ <u>(22,749)</u>
OTHER REVENUES AND EXPENSES:	
Interest Income	\$ 7
Miscellaneous Income	<u>803</u>
Total Other Revenues	\$ <u>810</u>
Loss before Transfers	\$ (21,939)
Transfers- Transfers Out	<u>(15,525)</u>
Change in Net Assets	\$ (37,464)
Net Assets-Beginning of Year	1,064,934
Net Assets-End of Year	<u>\$1,027,470</u>

See accompanying notes and independent accountant's compilation report.

Village of Natchez  
Statement of Cash Flows  
Proprietary Fund  
June 30, 2012

	<u>Business Type Activities</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 39,326
Cash received from operating grant	55,292
Cash paid to suppliers	(71,025)
Cash paid to employees	(5,723)
Net Cash Provided (Used) by Operating Activities	<u>\$ 17,870</u>
Cash Flows from Noncapital Financing Activities:	
Other income	\$ 803
Transfers to Other Funds	(15,525)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>\$(14,722)</u>
Cash Flows from Investing Activities:	
Interest Income	\$ 7
Net Increase in Cash and Cash Equivalents	\$ 3,155
Cash and Cash Equivalents at Beginning of Year	(1,484)
Cash and Cash Equivalents at End of Year	<u>\$ 1,671</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income (Loss) from Operations	\$(22,749)
ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	40,790
Changes in Assets and Liabilities-	
(Increase) Decrease in Net Accounts Receivable	(7,045)
Increase (Decrease) in Accounts Payable	7,907
Increase (Decrease) in Payroll Liabilities	(1,033)
Net Cash Provided by Operating Activities	<u>\$ 17,870</u>

See accompanying notes and independent accountant's compilation report.

## NOTES TO FINANCIAL STATEMENTS

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

Introduction:

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

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

The financial statements of the Village of Natchez, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Natchez's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

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

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

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

C. FUND ACCOUNTING-

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

The Village maintains three funds. Two are categorized as governmental funds and one proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Village considers all funds to be major:

Governmental Fund-

General Fund

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

Community Revitalization Fund

This fund is used to account for resources restricted to the purpose of enhancing the community.

Proprietary Fund-

Enterprise Fund

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

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

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

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-**

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

**Accrual Basis - Government-Wide Financial Statements (GWFS)**

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

**Modified Accrual Basis - Fund Financial Statements (FFS)**

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

**E. CASH AND INTEREST-BEARING DEPOSITS-**

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village.

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

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

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

G. COMPENSATED ABSENCES-

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

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

H. EQUITY CLASSIFICATIONS-

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

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

Village of Natchez  
Notes to Financial Statements  
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- a. Restricted net assets - Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- b. Unrestricted net assets - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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

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

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

The General Fund has an unassigned fund balance of \$627 and the Community Revitalization Fund has a restricted fund balance of \$4,008.

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

I. ESTIMATES-

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

J. OPERATING REVENUES AND EXPENSES-

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

K. EXPENDITURES/EXPENSES-

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

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

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

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

L. BUDGET-

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

M. INVENTORIES-

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

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

N. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES-

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

O. BAD DEBTS AND ALLOWANCES-

Allowance for uncollectible amounts due for customers’ utility receivables are recognized as bad debts at the time they become more than 90 days old. At June 30, 2012, this was \$21,316.

2. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, savings accounts, and certificates of deposit. At June 30, 2012, the Village had cash and cash equivalents (collected bank balances) totaling \$11,721. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Village. The deposits at June 30, 2012, were fully secured by FDIC Insurance.

3. Property Taxes:

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

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

The property tax calendar is as follows:

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

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

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

A revaluation of all property is required to be completed no less than every four years. A revaluation was completed for the tax roll of January 1, 2008.

Tax collections for the year were \$6,540.

4. Capital Assets:

Capital asset activity for the year ended June 30, 2012, is as follows:

Governmental Activities	Balance <u>07-01-11</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-12</u>
Capital Assets Depreciation:				
Land	\$ 1,600	\$ 0	\$0	\$ 1,600
Office Furniture, Fixtures & Equipment	40,717	17,997	0	58,714
Vehicles	<u>42,462</u>	<u>0</u>	<u>0</u>	<u>42,462</u>
Total Costs	\$ <u>84,779</u>	\$ <u>17,997</u>	\$0	\$ <u>102,776</u>
Less, Accumulated Depreciation:				
Office Furniture, Fixtures & Equipment	\$ 19,635	\$ 1,824	\$0	\$ 21,459
Vehicles	<u>34,352</u>	<u>4,633</u>	<u>0</u>	<u>38,985</u>
Total Accumulated Depreciation	\$ <u>53,987</u>	\$ <u>6,457</u>	\$0	\$ <u>60,444</u>
Net Capital Assets	\$ <u>30,792</u>	\$ <u>11,540</u>	\$0	\$ <u>42,332</u>

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

<u>Business-Type Activities</u>	<u>Balance 07-01-11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-12</u>
Capital Assets Not Depreciated				
Land	\$ 9,196	\$ 0	\$0	\$ 9,196
Capital Assets Depreciated				
Sewer System	<u>1,909,212</u>	<u>0</u>	<u>0</u>	<u>1,909,212</u>
Total Costs	<u>\$1,918,408</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$1,918,408</u>
Less, Accumulated Depreciation				
Sewer System	<u>\$ 835,297</u>	<u>\$ 40,790</u>	<u>\$0</u>	<u>\$ 876,087</u>
Net Capital Assets	<u>\$1,083,111</u>	<u>\$(40,790)</u>	<u>\$0</u>	<u>\$1,042,321</u>

Depreciation expense of \$6,457 was charged to the general government function, and \$40,790 was charged to the business-type activities.

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

During 2012, the following amounts were paid to the Mayor and Board of Aldermen:

Edna Jones/ Mayor	\$2,250
Shelia Braxton	780
Henrietta Byrd	780
Joe Walker	<u>780</u>
Total	<u>\$4,590</u>

6. Receivables:

The following is a summary of receivables at June 30, 2012, less allowance for uncollectibles:

<u>Class of Receivable</u>	<u>Proprietary Fund</u>
Water & Sewer Sales	\$22,008
Other	<u>140</u>
Totals	<u>\$22,148</u>

Village of Natchez  
Notes to Financial Statements  
June 30, 2012

7. Interfund Receivable and Payable Balances:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund- Sewer System	\$12,350	\$ 0
Sewer System- General Fund	<u>0</u>	<u>12,350</u>
Totals	<u>\$12,350</u>	<u>\$12,350</u>

8. Interfund Transactions:

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

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$15,525	\$ 0
Sewer System	<u>0</u>	<u>15,525</u>
Totals	<u>\$15,525</u>	<u>\$15,525</u>

9. Sales Tax Revenue:

The voters of Natchez passed a one percent (1%) sales and use tax. The proceeds of the sales tax are to be used for any lawful corporate purpose.

10. Pension Plan:

All employees of the Village of Natchez, including police officers (other than elected officials) are covered under the Social Security System. The employees pay 5.65% of their total salaries into the system, while the Village pays 7.65%. Data concerning the actuarial status of this system is not available. Future deficits in this system will be financed by the Federal government and the Village has no further liability to the system.

11. Subsequent Events:

Management has evaluated events through August 15, 2013, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTAL INFORMATION

Village of Natchez  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2012

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes-			
Ad Valorem	\$ 6,000	\$ 6,540	\$ 540
Sales Tax	6,077	3,557	(2,520)
Licenses and Permits	1,500	133	(1,367)
Franchise Fee	6,000	3,006	(2,994)
Fines	6,000	32,375	26,375
Local Grant	16,831	0	(16,831)
Miscellaneous			
Interest	1,000	10	(990)
Other	<u>1,737</u>	<u>978</u>	<u>(759)</u>
Total Revenues	<u>\$45,145</u>	<u>\$ 46,599</u>	<u>\$ 1,454</u>
<b>EXPENDITURES:</b>			
Current-			
General Government	\$82,650	\$ <u>48,585</u>	\$ 34,065
Excess (Deficiency) of Revenues over Expenditures	\$( <u>37,505</u> )	\$ ( <u>1,986</u> )	\$ <u>35,519</u>
Other Financing Sources (Uses):			
Operating Transfers In	<u>0</u>	<u>15,525</u>	<u>15,525</u>
Excess of Revenues and Other Financing Sources (Uses)	\$( <u>37,505</u> )	\$ 13,539	\$ 51,044
Fund Balance-Beginning of Year	( <u>12,192</u> )	( <u>12,192</u> )	( <u>12,192</u> )
Fund Balance-End of Year	\$( <u>49,697</u> )	\$ <u>627</u>	\$ <u>38,852</u>

See independent accountant's compilation report.

Village of Natchez  
Community Revitalization Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2012

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Grant-Rapides Foundation	\$20,000	\$25,000	\$5,000
EXPENDITURES:			
Current-			
General Government	\$20,000	\$20,992	\$ (992)
Excess (Deficiency) of			
Revenues over Expenditures	\$ 0	\$ 4,008	\$4,008
Fund Balance-Beginning of Year	0	0	0
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 4,008</u>	<u>\$4,008</u>

See independent accountant's compilation report.

## SUPPLEMENTAL INFORMATION

# Johnson, Thomas & Cunningham

## Certified Public Accountants

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

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

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

August 15, 2013

Village of Natchez  
c/o Mayor Edna Jones  
P. O. Box 229  
Natchez, LA 71456

RE: Management Letter  
Compilation Report – June 30, 2012

We have performed our compilation of the Village of Natchez for the year ended June 30, 2012. As part of these procedures, we have the following information to report to you.

1. Louisiana State Law requires that the annual report be submitted to the Legislative Auditor within six months after the end of their fiscal year. For the year ended June 30, 2012, the Village did not provide the Village's books to the auditor in sufficient time to allow the report to be issued on time. We recommend the Village institute procedures to ensure that the books are available within 45 days after the end of the year.
2. LA Revised Statutes require that each political subdivision prepare a budget each fiscal year to include the beginning fund balance, all sources of revenues and all categories of expenditures for the year. In addition, the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year. That is the total of the beginning fund balance plus the budgeted revenues cannot be less than the total of the budgeted expenditures.

Sincerely,

*Johnson, Thomas & Cunningham, CPA's*

Johnson, Thomas & Cunningham, CPA's

# Village of Natchez

P. O. Box 229  
Natchez, LA 71456

September 11, 2013

Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

RE: Village of Natchez  
Compilation Report – June 30, 2012

The following is our response to the management letter issued to us by the firm Johnson, Thomas & Cunningham, CPA's for the year ended June 30, 2012:

Management's Corrective Action Plan

- Late Report – The Village will ensure the Village's books are available within 45 days after the end of the fiscal year.
- Local Government Budget Act – The Village will institute procedures to ensure that the budget will be amended when required.

Sincerely,



Edna Jones  
Mayor