NATCHITOCHES PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

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ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

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

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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, 2016.

Financial Highlights

- The Parish Government's assets exceeded its liabilities by $23,001,213 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by $22,667,498.

- Total net position is comprised of the following:

  1. Net investment in capital assets, of $10,433,842 includes property and equipment, net of accumulated depreciation.

  2. Unrestricted net position of $12,567,371 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 $14,297,798 this year. This compares to the prior year ending fund balance of $12,793,612 showing an increase of $1,504,186 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, 2016

	Governmental Activities	
	2016	2015
Assets:		
Cash & Other Assets	$15,692,163	$14,339,320
Noncurrent Assets	13,046,862	11,743,417
Total Assets	$28,739,025	$26,082,737
Liabilities:		
Current and Other Liabilities	$ 1,394,365	$ 1,545,710
Long-term Liabilities	4,343,447	1,869,529
Total Liabilities	$ 5,737,812	$ 3,415,239
Net Position:		
Net Investment in Capital Assets	$10,433,842	$10,781,636
Unrestricted	12,567,371	11,885,862
Total Net Position	$23,001,213	$22,667,498

Table 2
Changes in Net Position
Year Ended December 31, 2016

	Primary Government 2016	Primary Government 2015
Program Revenues:		
Charges for Services	$ 408,505	$ 296,684
Operating Grants & Contributions	4,748,797	5,270,231
Capital Grants & Contributions	502,650	0
General Revenues:		
Ad Valorem Taxes	6,249,089	6,213,409
Sales Taxes	2,224,359	2,389,404
Licenses & Permits	450,028	458,878
NEC Revenue	66,491	
Interest	9,376	12,073
Miscellaneous	297,104	236,535
Total Revenues	$14,956,399	$14,877,214
Functional/Program Expenses:		
Governmental Activities-		
General Government	$ 1,808,901	$ 2,037,283
Public Safety	2,641,627	2,031,309
Public Works	4,694,857	4,711,890
Health & Welfare	3,469,561	3,580,390
Recreation & Culture	1,959,217	1,922,752
Economic Development	48,521	82,721
Total Expenses	$14,622,684	$14,366,345
Change in Net Position	$ 333,715	$ 510,869

Economic Factors and Next Year's Budgets and Rates

In 2017, 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
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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, 2016, 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, 2016, 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, 2016, 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 on pages 1 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Natchitoches Parish Government's primary government. The budgetary comparison schedule, schedule of employer's share of net pension liability, schedule of employer contributions, and 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 and the combining nonmajor fund financial statements and 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 budgetary comparison schedule, schedule of employer's share of net pension liability, schedule of employer contributions, schedule of compensation, benefits and other payments to agency head or chief executive officer, combining nonmajor fund financial statements, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule, schedule of employer's share of net pension liability, schedule of employer contributions, schedule of compensation, benefits and other payments to agency head or chief executive office, combining nonmajor fund financial statements, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we have also issued our reports dated June 6, 2017, on our consideration of the Natchitoches 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, and compliance for each major program and on internal control over compliance. The purpose of those reports are to describe the scope of our testing of internal control over financial reporting and compliance, and compliance for each major program and internal control over compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting, compliance, compliance for each major program, or internal control over compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and the Uniform Guidance in considering the Natchitoches Parish Government's internal control over financial reporting and compliance, and compliance for each major program and on internal control over compliance.

Johnson, Thomas + Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

June 6, 2017
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Government
Statement of Net Position
December 31, 2016

	Governmental Activities
Assets-	
Current Assets-	
Cash & Cash Equivalents	$ 9,177,438
Revenue Receivables	6,400,384
Prepaid Expense	114,341
Total Current Assets	$15,692,163
Noncurrent Assets-	
Capital Assets (net of accumulated depreciation)	10,433,842
Total Assets	$26,126,005
Deferred Outflows of Resources	$ 2,613,020
Liabilities-	
Current Liabilities-	
Cash Overdraft	$ 5,893
Accounts Payable	636,558
Accrued Payroll	37,691
Due to Other Governments	714,223
Total Current Liabilities	$ 1,394,365
Long-term Liabilities-	
Accrued Compensated Absences	$ 131,877
OPEB Payable	1,975,882
Net Pension Liability	1,888,847
Total Long-term Liabilities	$ 3,996,606
Total Liabilities	$ 5,390,971
Deferred Inflows of Resources	$ 346,841
Net Position-	
Net Investment in Capital Assets	$10,433,842
Unrestricted	12,567,371
Total Net Position	$23,001,213

See notes to financial statements.

Natchitoches Parish Government
Statement of Activities
Year Ended December 31, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities-					
General Government	$ (1,808,901)	$ 0	$ 614,678	$ 0	$ (1,194,223)
Public Safety	(2,641,627)	229,813	448,026	0	(1,963,788)
Public Works	(4,694,857)	151,710	916,052	502,650	(3,124,445)
Health & Welfare	(3,469,561)	0	2,767,235	0	(702,326)
Recreation & Culture	(1,959,217)	14,659	2,831	0	(1,941,727)
Economic Development	(48,521)	12,298	0	0	(36,223)
Total Governmental Activities	$(14,622,684)	$408,480	$4,748,822	$502,650	$ (8,962,732)

General Revenues:	
Taxes-	
Ad Valorem	$ 6,249,089
Sales & Use	2,224,359
Licenses & Permits	450,028
Interest	9,376
Miscellaneous	363,595
Total General Revenues	$ 9,296,447
Change in Net Position	$ 333,715
Net Position January 1, 2016	22,667,498
Net Position December 31, 2016	$23,001,213

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Government
Governmental Funds-Balance Sheet
December 31, 2016

	Major Funds								
		Special Revenue Funds							
	General Fund	Road Maintenance Fund	Sales Tax Fund	Parish Library Fund	Disposal Solid Waste	Government Building Fund	Head Start Fund	Nonmajor Funds	Total Governmental Funds
Assets									
Cash & Cash Equivalents	$ 999,770	$1,328,696	$1,534,027	$1,692,719	$ 91,299	$1,806,465	$33,484	$1,690,978	$ 9,177,438
Revenue Receivables	1,014,836	1,314,698	235,307	2,028,739	5,768	826,197	0	974,839	6,400,384
Prepaid Expense	37,103	14,381	0	26,660	1,807	6,546	0	27,844	114,341
Due from Other Funds	0	0	0	0	6,708	0	0	5,595	12,303
Total Assets	$2,051,709	$2,657,775	$1,769,334	$3,748,118	$105,582	$2,639,208	$33,484	$2,699,256	$15,704,466
Liabilities									
Cash Overdraft	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,893	$ 5,893
Accounts Payable	330,275	77,147	16,557	17,558	96,228	12,647	5,013	81,133	636,558
Accrued Payroll	360	9,979	0	1,877	11,511	2,810	1,065	10,089	37,691
Due to Other Governments	0	0	0	0	0	0	0	714,223	714,223
Due to Other Funds	0	6,708	0	0	0	0	0	5,595	12,303
Total Liabilities	$ 330,635	$ 93,834	$ 16,557	$ 19,435	$107,739	$ 15,457	$ 6,078	$ 816,933	$ 1,406,668
Fund Balance									
Fund Balances-									
Nonspendable	$ 37,103	$ 14,381	$ 0	$ 26,660	$ 0	$ 6,546	$ 0	$ 22,887	$ 107,577
Restricted	0	2,549,560	1,752,777	3,702,023	0	2,617,205	27,406	2,503,201	13,152,172
Unassigned	1,683,971	0	0	0	(2,157)	0	0	(643,765)	1,038,049
Total Fund Balance	$1,721,074	$2,563,941	$1,752,777	$3,728,683	$ (2,157)	$2,623,751	$27,406	$1,882,323	$14,297,798
Total Liabilities & Fund Balance	$2,051,709	$2,657,775	$1,769,334	$3,748,118	$105,582	$2,639,208	$33,484	$2,699,256	$15,704,466

See notes to financial statements.

Natchitoches Parish Government
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2016

Total Governmental Fund Balances	$ 14,297,798
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Capital Assets	35,380,199
Less, Accumulated Depreciation	(24,946,357)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet	2,613,020
Long-term Liabilities are not due and payable in the current period and are not reported in the funds-	
Accrued Compensated Absences	(131,877)
Other Post-Employment Benefit Obligation	(1,975,882)
Net Pension Liability	(1,888,847)
Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet	(346,841)
Total Net Position of Governmental Activities at December 31, 2016	$ 23,001,213

See notes to financial statements.

Natchitoches Parish Government
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2016

	Major Funds								
		Special Revenue Funds							
	General Fund	Road Maintenance Fund	Sales Tax Fund	Parish Library Fund	Disposal Solid Waste Fund	Government Building Fund	Head Start Fund	Nonmajor Funds	Total Governmental Funds
Revenues:									
Taxes-									
Ad Valorem	$ 1,047,095	$1,051,965	$ 0	$2,279,118	$ 0	$ 924,388	$ 0	$ 946,523	$ 6,249,089
Sales & Use	0	0	2,224,359	0	0	0	0	0	2,224,359
License & Permits	289,680	0	0	0	0	0	0	160,348	450,028
Intergovernmental-									
Federal Grants	0	809,811	0	0	0	0	1,998,889	793,698	3,602,398
State Grants	645,487	551,160	0	0	0	0	0	15,484	1,212,131
Other Grants	0	0	0	2,832	0	0	0	432,543	435,375
Charges for Services	25	0	0	14,658	151,710	0	0	0	166,393
Fines & Forfeits	0	0	0	12,298	0	0	0	229,814	242,112
Miscellaneous	128,784	22,524	1,941	10,382	0	99,047	306	45,034	308,018
Total Revenues	$ 2,111,071	$2,435,460	$ 2,226,300	$2,319,288	$ 151,710	$1,023,435	$1,999,195	$2,623,444	$14,889,903
Expenditures:									
Current-									
General Government	$ 530,510	$ 17,835	$ 53,518	$ 0	$ 0	$ 626,896	$ 0	$ 324,647	$ 1,553,406
Public Safety	159,416	0	0	0	0	0	0	1,758,326	1,917,742
Public Works	0	2,470,727	0	0	1,999,206	0	0	600	4,470,533
Health & Welfare	4,279	0	0	0	0	0	2,064,123	1,333,217	3,401,619
Recreation & Culture	0	0	0	1,993,897	0	0	0	0	1,993,897
Economic Development	48,520	0	0	0	0	0	0	0	48,520
Total Expenditures	$ 742,725	$2,488,562	$ 53,518	$1,993,897	$ 1,999,206	$ 626,896	$2,064,123	$3,416,790	$13,385,717
Excess (Deficiency) of Revenues over Expenditures	$ 1,368,346	$ (53,102)	$ 2,172,782	$ 325,391	$(1,847,496)	$ 396,539	$ (64,928)	$ (793,346)	$ 1,504,186
Other Financing Sources (Uses):									
Operating Transfers In	$ 316,744	$ 669,131	$ 0	$ 0	$ 1,610,000	$ 0	$ 12,989	$1,444,321	$ 4,053,185
Operating Transfers Out	(1,391,666)	0	(2,210,000)	0	0	0	(29,632)	(421,887)	(4,053,185)
Total Other Financing	$(1,074,922)	$ 669,131	$(2,210,000)	$ 0	$ 1,610,000	$ 0	$ (16,643)	$1,022,434	$ 0
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 293,424	$ 616,029	$ (37,218)	$ 325,391	$ (237,496)	$ 396,539	$ (81,571)	$ 229,088	$ 1,504,186
Fund Balances-Beginning of Year	1,427,650	1,947,912	1,789,995	3,403,292	235,339	2,227,212	108,977	1,653,235	12,793,612
Fund Balances-End of Year	$ 1,721,074	$2,563,941	$ 1,752,777	$3,728,683	$ (2,157)	$2,623,751	$ 27,406	$1,882,323	$14,297,798

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, 2016

Net Change in Fund Balances-Total Governmental Funds	$1,504,186
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	375,474
Depreciation Expense	(723,269)
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	11,348
Other Post-Employment Benefit Obligation	(664,107)
Non-employer Pension Revenue	66,491
Pension Expense	(236,408)
Change in Net Position of Governmental Activities	$ 333,715

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2016

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, 2016

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

Component Unit	Fiscal Year End	Criteria Used
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.

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.

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.

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
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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	$ 316,744	$1,391,666
Special Revenue Funds-		
Road Maintenance Fund	669,131	0
Disposal Solid Waste	1,610,000	0
Health Unit Fund	0	300,000
Sales Tax Fund	0	2,210,000
Criminal Court	240,000	0
OCS-CSBG	14,150	7,521
OCS-OCS LIHEAP	0	9,218
OCS-Head Start	12,989	29,632
OCS-CACFP	72,160	36,016
OCS-Senior Companion	8,011	0
FEMA	0	69,132
Public Safety	1,100,000	0
Coroner	10,000	0
Totals	$4,053,185	$4,053,185

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:

Description	Estimated Lives
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, 2016, are immaterial and are approximately the same as at December 31, 2015. Inventories consist of gravel, road building and general maintenance materials, and supplies.

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;

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 nonspendable fund balances of $107,577, restricted fund balances of $13,152,172 and unassigned fund balances of $1,038,049. 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.

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.

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Notes to Financial Statements
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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, 2016.

(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, 2016, the following funds had a deficit balance in their fund balance:

Fund	Amount
Office of Community Services- CHC	$ 48
Public Safety	643,717
O/S Reimbursement for HD	835
Solid Waste	2,157
Total	$646,757

The deficit balances in CHC and Public Safety will be funded by transfers from the General Fund and deficit balances in Solid Waste will be funded by transfers from the Sales Tax Fund as funding is available.

Natchitoches Parish Government
Notes to Financial Statements
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4. Cash and Cash Equivalents

At December 31, 2016, the Parish Government had cash and cash equivalents (book balances) totaling $9,171,545 as follows:

Interest-bearing demand deposits	$8,699,389
U.S. Government Securities	472,156
Total	$9,171,545

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.

At December 31, 2016, the Parish Government has $9,097,538 in deposits (collected bank balances). These deposits are secured from risk by $422,533 of federal deposit insurance and $8,675,005 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The $472,156 in securities is secured by the U.S. Government.

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.

Natchitoches Parish Government
Notes to Financial Statements
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5. Receivables

The receivables of $6,400,384 at December 31, 2016 are as follows:

Class of Receivable	General Fund	Special Revenue Funds
Taxes-		
Ad Valorem	$ 845,357	$4,660,904
Other Taxes	98,953	235,307
Other	70,526	489,337
Totals	$1,014,836	$5,385,548

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, 2016, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
General Fund:				
Capital Assets; not depreciated-				
Land	$ 492,070	$ 0	$ 0	$ 492,070
Building	7,358,311	0	0	7,358,311
Office Equipment	844,517	70,041	0	914,558
Other Equipment	1,599,705	30,685	0	1,630,390
Vehicles	1,901,201	113,647	0	2,014,848
Books, Recordings, etc.	1,903,340	161,101	184,784	1,879,547
Bridges	10,859,351	0	0	10,859,351
Roads	10,231,014	0	0	10,231,014
Total Assets	$35,189,509	$ 375,474	$184,784	$35,380,199
Accumulated Depreciation-				
Building	$ 4,601,544	$ 136,808	$ 0	$ 4,738,352
Office Equipment	799,829	24,909	0	824,738
Other Equipment	1,198,785	89,011	0	1,287,796
Vehicles	1,585,192	130,262	0	1,715,454
Books, Recordings, etc.	1,603,347	161,384	184,784	1,579,947
Bridges	4,508,957	177,167	0	4,686,124
Roads	10,110,218	3,728	0	10,113,946
Total Acc. Deprec.	$24,407,872	$(347,795)	$ 0	$24,946,357
Total Capital Assets, net	$10,781,637	$(347,795)	$ 0	$10,433,842

Depreciation expense of $723,269 for the year ended December 31, 2016, was charged to the following governmental funds:

General Government	$108,522
Public Safety	9,054
Public Works	323,152
Health & Welfare	73,266
Recreation & Culture	209,275
Total	$723,269

7. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2016:

	Balance 1-1-16	Additions	Reduction	Balance 12-31-16
Compensated Absences	$143,225	$0	$11,348	$131,877

8. Pension Plans

Parochial Retirement

Plan Description

The Parish Government contributes to Parochial Employees' Retirement System of Louisiana (System) 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. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System 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. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System 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.

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:

- At any age after 30 years of creditable service
- At age 55 after 25 years of creditable service
- At age 60 after 10 years of creditable service
- At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- At age 67 after 7 years of creditable service

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 60 after 10 years of creditable service
- At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- 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 three percent 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.

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent 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.

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.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

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 the Plan 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 the Plan 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 the Plan 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 three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

For Plan B, 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 B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

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 sixty-five 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, 2015, the actuarially determined contribution rate was 10.40% of member's compensation for Plan A and 6.91% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2015 was 14.5% for Plan A and 9.00% for Plan B.

According to state statute, PERS also receives ¼ 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 employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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The Parish Government's contractually required composite contribution rate for the year ended December 31, 2016 was 13.00% 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 $513,666 for the year ended December 31, 2016.

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

At December 31, 2016, the Parish Government reported a liability of $1,815,028 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Parish Government's proportion of the Net Pension Liability was based on a projection of the Parish Government's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2015, the Parish Government's proportion was .689525%, which was an increase of .033469% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Parish Government recognized pension expense of $784,885 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $36,658.

At December 31, 2016, the Parish Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$288,457
Changes in assumption	404,417	0
Net difference between projected and actual earnings on pension plan investments	1,660,801	0
Changes in employer's proportion of beginning net pension liability	6,001	0
Differences between employer contributions and proportionate share of employer contributions	(19,909)	0
Subsequent Measurement Contributions	513,666	
Total	$2,564,976	$288,457

Natchitoches Parish Government
Notes to Financial Statements
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Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2017	$ 569,130
2018	569,130
2019	569,130
2020	569,129
Total	$2,276,519

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2015 is as follows:

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years.
Investment Rate of Return	7.25% per annum.
Inflation Rate	2.50% per annum.
Mortality	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. Experience study performed on plan data for the period January 1, 2010 through December 31, 2014.
Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.00% for Plans A and B. 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-employer 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, the System's 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.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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. 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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.55% for the year ended December 31, 2015. The best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real Assets	3%	0.19%
Total	100%	5.55%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.55%

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 Liability using the discount rate of 7.00%, as well as what the Parish Government's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	$4,547,305	$1,815,028	$(494,075)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $213,068, which is the legally required contribution due at December 31, 2016. This amount is recorded in accrued expenses.

District Attorney

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. The System was established on the first day of August, nineteen hundred and fifty-six 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.

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 board for assistant district attorneys. 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 the System 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 the System 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 the System 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.

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 the System.

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 three percent (three and one-half percent 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 fifteen years) or projected continued service to age sixty.

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.

Cost-of-Living Increases

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five 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, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Deferred Retirement Option Plan

In lieu of receiving a 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.

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 three years 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 the 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 three years 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 one percent. 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 December 31, 2016, the actual employer contribution rate was 7.00%.

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In accordance with state statute, the System 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 December 31, 2016 and excluded from pension expense.

The Parish Government's contractually required composite contribution rate for the year ended December 31, 2016 was 7% 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 $1,544 for the year ended December 31, 2016.

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

At December 31, 2016, the Parish Government reported a liability of $25,584 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Parish Government's proportion of the Net Pension Liability was based on a projection of the Parish Government's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Parish Government's proportion was .133664%, which was a decrease of .118291% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Parish Government recognized pension expense of $9,940 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $(7,606).

At December 31, 2016, the Parish Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$10,306
Changes in assumption	4,826	5,673
Net difference between projected and actual earnings on pension plan investments	19,616	0
Changes in employer's proportion of beginning net pension liability	0	31,617
Differences between employer contributions and proportionate share of employer contributions	1,812	124
Subsequent Measurement Contributions	0	0
Total	$26,254	$47,720

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

Year ended December 31:	
2017	$ (3,578)
2018	(3,578)
2019	(3,578)
2020	(3,578)
2021	(3,576)
2022	(3,576)
Total	$(21,466)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
Projected Salary Increases	5.50% (2.50% Inflation, 3.00% Merit)
Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants.
Expected Remaining Service Lives	7 years
Cost of Living Adjustments	Only those previously granted

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The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The long-term expected rate of return on 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 ranges 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. The resulting long-term rate of return is 8.39% for the year ended June 30, 2016. The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2016 were as follows:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Equities	57.70%	3.56%
Fixed Income	33.00%	2.26%
Alternatives	4.80%	0.50%
Real Estate	4.50%	0.02%
Totals	100.00%	6.34%
Inflation		2.70%
Expected Real Rate of Return		9.04%

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's 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 Liability using the discount rate of 7%, as well as what the Parish Government's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6%) or one percentage-point higher (8%) than the current rate:

	1.0% Decrease (6%)	Current Discount Rate (7%)	1.0% Increase (8%)
Employer's proportionate share of net pension liability	$96,541	$25,584	$(17,252)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued District Attorneys' Retirement System of Louisiana Annual Financial Report at www.lla.la.gov.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $356, which is the legally required contribution due at December 31, 2016. This amount is recorded in accrued expenses.

Registrar of Voters

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. The System 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.

The System 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 the System 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 the System 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 sixty years, who shall have completed ten 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 sixty years.

Disability Benefits

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. 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 ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty 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 the System 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 the System 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 paid into the Deferred Retirement Option Plan 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 the System.

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 sixty 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 December 31, 2016, the actual employer contribution rate was 22.50%.

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 are recognized as revenue and excluded from pension expense for the year ended December 31, 2016.

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The Parish Government's contractually required composite contribution rate for the year ended December 31, 2016 was 20.00% 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 $4,543 for the year ended December 31, 2016.

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

At December 31, 2016, the Parish Government reported a liability of $48,235 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Parish Government's proportion of the Net Pension Liability was based on a projection of the Parish Government's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Parish Government's proportion was .169996%, which was an increase of .002587% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Parish Government recognized pension expense of $8,278 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $(2,677).

At December 31, 2016, the Parish Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$ 4,862
Changes in assumption	1,624	1,809
Net difference between projected and actual earnings on pension plan investments	13,265	0
Changes in employer's proportion of beginning net pension liability	4,050	3,979
Differences between employer contributions and proportionate share of employer contributions	576	14
Subsequent Measurement Contributions	2,275	0
Total	$21,790	$10,664

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

Year ended December 31:	
2017	$ 2,225
2018	2,225
2019	2,225
2020	2,225
2021	2,226
Total	$11,126

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.0%, net of investment expense
Projected Salary Increases	6.0% (2.5% Inflation, 3.5% Merit)
Mortality Rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	2016 – 5 years 2015 – 5 years 2014 – 4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on 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 ranges 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. The resulting long-term rate of return is 8.37% for the year ended June 30, 2016. The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2016 were as follows:

Asset Class	Expected Rates of Return		
	Target Asset	Real Return Arithmetic Allocation	Long-term Expected Portfolio Real Rate Basis of Return
Domestic Equities	40%	7.50%	3.00%
International Equities	15%	8.50%	1.28%
Domestic Fixed Income	20%	2.50%	0.50%
International Fixed Income	10%	3.50%	0.35%
Alternative Investments	5%	5.87%	0.29%
Cash and Cash Equivalents	10%	4.50%	0.45%
Totals	100%		5.87%
Inflation			2.50%
Expected Arithmetic Nominal Return			8.37%

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's 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 Liability using the discount rate of 7%, as well as what the Parish Government's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6%) or one percentage-point higher (8%) than the current rate:

	1.0% Decrease (6%)	Current Discount Rate (7%)	1.0% Increase (8%)
Employer's proportionate share of net pension liability	$67,063	$48,235	$32,018

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Registrar of Voters Employees' Retirement System of Louisiana Annual Financial Report at www.lla.la.gov.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $1,409, which is the legally required contribution due at December 31, 2016. This amount is 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, 2016, there are no known outstanding judgments or suits against the Parish Government for issues not related to vehicles and buildings.

- 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, 2016, the General Fund had an unassigned fund balance of $1,683,971. As per note disclosure number 3, the fund deficits of the Office of Community Services-CHC, Public Safety and O/S Reimbursement for HD are $644,600. 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

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 $363,513,645 in 2016. 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 $2,668,070 of the assessed value in 2016.

The distribution of the Parish Government's levy (tax rate per $1,000 assessed value) to its funds was as follows for 2016:

Fund	Inside City of Natchitoches	Outside City of Natchitoches
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 $6,249,089 for the year ended December 31, 2016.

The following are the principal taxpayers for the Parish:

Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Acadian Gas Pipeline System	$ 55,385,890	15%
International Paper Co.	30,750,300	8%
Martco Limited Partners	14,081,560	4%
ENLINK-LIG	12,223,080	3%
Tennessee Gas Pipeline, Co.	11,766,900	3%
Alliance Compressors	10,487,900	3%
Enable Midstream Partnership	6,106,770	2%
Weyerhaeuser Co.	6,831,200	2%
Cleco Corporation	6,115,340	2%
Southwestern Electric	3,941,530	1%
Total	$157,690,470	43%

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 2016.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2016

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 (2016 collections $2,224,359) 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

Member	Council
Patsy Hoover	$ 5,822
Doug De Graffenried	5,822
Rodney Bedgood	6,000
Chris Paige	6,000
Russell Rachal	5,822
Total	$59,466

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.

Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Natchitoches Parish Government
Notes to Financial Statements
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Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the employee and 50% of the additional dependent coverage for the retiree and dependents dental coverage. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance. The dental actuarial costs and liabilities are included in the medical results.

Life insurance coverage is available to retirees based on a blended rate (active and retired). Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. 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. Retiree insurance coverage amounts are reduced to 65% at age 65, 45% at age 70, 30% at age 75 and 20% at age 80.

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 2016 and 2015, the Natchitoches Parish Government's portion of health care and life insurance funding cost for retired employees totaled $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:

	2016	2015
Normal cost	$ 348,019	$ 334,634
30-year UAL amortization amount	599,482	576,425
Annual required contribution (ARC)	$ 947,501	$ 911,059

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2016

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:

		2016		2015
Beginning Net OPEB Obligation	$	1,311,775	$	653,106
Annual required contribution		947,501		911,059
Interest on Net OPEB Obligation		52,471		26,124
ARC Adjustment		(75,860)		(37,769)
OPEB Cost		924,112		899,414
Contribution to Irrevocable Trust		-		-
Current year retiree premium		(260,005)		(240,745)
Change in Net OPEB Obligation		664,107		658,669
Ending Net OPEB Obligation	$	1,975,882	$	1,311,775

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 last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
December 31, 2016	$ 924,112	28.14%	$ 1,975,882
December 31, 2015	$ 899,414	26.77%	$ 1,311,775

Funded Status and Funding Progress – In 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, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2016 was $10,780,981 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.

		2016		2015
Actuarial Accrued Liability (AAL)	$	10,780,981	$	10,366,328
Actuarial Value of Plan Assets (AVP)		-		-
Unfunded Act. Accrued Liability (UAAL)	$	10,780,981	$	10,366,328
Funded Ratio (AVP/AAL)		0.00%		0.00%
Covered Payroll (active plan members)	$	3,585,622	$	3,833,514
UAAL as a percentage of covered payroll		300.67%		270.41%

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 – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 18%.

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 – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate – The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2016

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 2.50% annually.

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

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

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

OPEB Costs and Contributions

	FY 2014	FY 2015	FY 2016
OPEB Cost	$ 876,018	$ 899,414	$ 924,112
Contribution	0	0	0
Retiree premium	222,912	240,745	260,005
Total contribution and premium	222,912	240,745	260,005
Change in net OPEB obligation	$ 653,106	$ 658,669	$ 664,107
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	25.45%	26.77%	28.14%

16. Subsequent Events

Management has evaluated events through June 6, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTAL INFORMATION

Natchitoches Parish Government
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes	$ 952,200	$ 1,099,400	$ 1,047,095	$ (52,305)
Licenses & Permits	289,000	289,000	289,680	680
Intergovernmental-				
State Grants	653,860	665,860	645,487	(20,373)
Charges for Services	10	35	25	(10)
Interest & Miscellaneous	1,500	102,300	128,784	26,484
Total Revenues	$ 1,896,570	$ 2,156,595	$ 2,111,071	$ (45,524)
Expenditures:				
General Government-				
Legislative	$ 38,850	$ 37,638	$ 36,346	$ 1,292
Elections	165,805	102,595	71,046	31,549
Finance & Administration	704,214	577,326	423,118	154,208
Public Safety	160,360	160,360	159,416	944
Health & Welfare	5,875	5,875	4,279	1,596
Economic Development	42,950	43,125	48,520	(5,395)
Total Expenditures	$ 1,118,054	$ 926,919	$ 742,725	$184,194
Excess (Deficiency) of Revenues over Expenditures	$ 778,516	$ 1,229,676	$ 1,368,346	$138,670
Other Financing Sources (Uses):				
Operating Transfers In	$ 300,000	$ 315,000	$ 316,744	$ 1,744
Operating Transfers Out	(1,541,000)	(1,530,500)	(1,391,666)	138,834
Total Other Financing	$(1,241,000)	$(1,215,500)	$(1,074,922)	$140,578
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (462,484)	$ 14,176	$ 293,424	$279,248
Fund Balance-Beginning of Year	1,427,650	1,427,650	1,427,650	0
Fund Balance-End of Year	$ 965,166	$ 1,441,826	$ 1,721,074	$279,248

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, 2016

	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem Taxes	$ 1,047,703	$ 1,247,703	$1,051,965	$ (195,738)
Intergovernmental-				
Federal Grants	414,032	756,751	809,811	53,060
State Grants	506,550	565,602	551,160	(14,442)
Miscellaneous	600	25,645	22,524	(3,121)
Total Revenues	$ 1,968,885	$ 2,595,701	$2,435,460	$ (160,241)
Expenditures:				
General Government-				
Finance & Administration	$ 18,600	$ 18,900	$ 17,835	$ 1,065
Public Works-				
Personnel Cost	1,283,860	1,471,186	998,031	473,155
Equipment Maintenance	58,500	43,724	29,080	14,644
Insurance	53,303	43,303	44,803	(1,500)
Fuel & Oil	267,000	156,500	129,108	27,392
Road & Bridge Materials	629,000	878,556	629,397	249,159
Other Supplies	102,500	132,750	85,756	46,994
Miscellaneous	314,920	217,917	143,142	74,775
Equipment Rental	147,780	128,145	116,240	11,905
Repairs & Maintenance	154,748	158,783	226,637	(67,854)
Capital Expenditures	45,000	427,900	68,533	359,457
Total Expenditures	$ 3,075,211	$ 3,677,664	$2,488,562	$1,189,102
Excess (Deficiency) of Revenues over Expenditures	$(1,106,326)	$(1,081,963)	$ (53,102)	$1,028,861
Other Financing Sources (Uses):				
Operating Transfer In	$ 600,000	$ 600,000	$ 669,131	$ 69,131
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	$ 600,000	$ 600,000	$ 669,131	$ 69,131
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (506,326)	$ (481,963)	$ 616,029	$1,097,992
Fund Balance-Beginning of Year	1,947,912	1,947,912	1,947,912	0
Fund Balance-End of Year	$ 1,441,586	$ 1,465,949	$2,563,941	$1,097,992

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, 2016

	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:				
Taxes-				
Sales & Use Tax	$ 1,850,000	$ 2,458,704	$ 2,224,359	$(234,345)
Miscellaneous-				
Interest	0	1,950	1,941	(9)
Total Revenues	$ 1,850,000	$ 2,460,654	$ 2,226,300	$(234,354)
Expenditures:				
General Government-				
Finance & Administration	60,500	46,700	53,518	(6,818)
Excess of Revenues over Expenditures	$ 1,789,500	$ 2,413,954	$ 2,172,782	$(241,172)
Other Financing Sources (Uses):				
Operating Transfers To-				
Road Maintenance	$ (600,000)	$ (700,000)	$ (600,000)	$ 100,000
Solid Waste Disposal	(2,050,000)	(2,050,000)	(1,610,000)	440,000
Total Other Financing	$(2,650,000)	$(2,750,000)	$(2,210,000)	$ 540,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (860,500)	$ (336,046)	$ (37,218)	$ 298,828
Fund Balance-Beginning of Year	1,789,995	1,789,995	1,789,995	0
Fund Balance-End of Year	$ 929,495	$ 1,453,949	$ 1,752,777	$ 298,828

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, 2016

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem	$2,224,000	$2,224,000	$2,279,118	$ 55,118
Intergovernmental-				
Local Grants	3,000	3,000	2,832	(168)
Charges for Services	8,000	14,600	14,658	58
Fines & Forfeits	8,500	13,000	12,298	(702)
Miscellaneous	7,100	10,900	10,382	(518)
Total Revenues	$2,250,600	$2,265,500	$2,319,288	$ 53,788
Expenditures:				
Recreation & Culture-				
Personnel Cost	$1,514,900	$1,464,400	$1,387,083	$ 77,317
Travel	18,700	18,700	13,220	5,480
Utilities & Telephone	95,000	85,000	69,178	15,822
Building & Equip. Maint.	110,000	111,000	42,806	68,194
Books, Magazines, etc.	216,000	216,000	161,101	54,899
Insurance	17,500	17,500	16,440	1,060
Supplies	134,000	160,000	151,129	8,871
Professional Services	35,000	35,000	7,315	27,685
Processing	30,250	30,250	25,258	4,992
Equipment Rental	9,500	11,250	10,908	342
Miscellaneous	31,275	33,775	28,769	5,006
Capital Expenditures	30,000	185,000	80,690	104,310
Total Expenditures	$2,242,125	$2,367,875	$1,993,897	$373,978
Excess (Deficiency) of Revenues over Expenditures	$ 8,475	$ (102,375)	$ 325,391	$427,766
Fund Balance-Beginning of Year	3,403,292	3,403,292	3,403,292	0
Fund Balance-End of Year	$3,411,767	$3,300,917	$3,728,683	$427,766

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, 2016

	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:				
Charges for Services	$ 50,000	$ 150,700	$ 151,710	$ 1,010
Expenditures:				
Public Works-				
Personnel Cost	$ 752,700	$ 683,340	$ 602,944	$ 80,396
Insurance	10,250	10,250	6,743	3,507
Fuel & Oil	15,000	15,500	7,681	7,819
Other Supplies	31,500	31,500	11,436	20,064
Miscellaneous	31,975	65,975	41,561	24,414
Equipment Rental	2,500	2,500	784	1,716
Solid Waste Operations	0	1,269,086	1,232,538	36,548
Repairs & Maintenance	102,650	142,650	79,023	63,627
Capital Expenditures	0	0	16,496	(16,496)
Total Expenditures	$ 946,575	$ 2,220,801	$ 1,999,206	$ 221,595
Excess of Revenues over Expenditures	$ (896,575)	$(2,070,101)	$(1,847,496)	$ 222,605
Other Financing Uses:				
Operating Transfers From-				
Sales Tax Fund	2,050,000	2,050,000	1,610,000	(440,000)
Excess (Deficiency) of Revenues over Expenditures and Other Uses	$1,153,425	$ (20,101)	$ (237,496)	$(217,395)
Fund Balance-Beginning of Year	235,339	235,339	235,339	0
Fund Balance-End of Year	$1,388,764	$ 215,238	$ (2,157)	$(217,395)

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, 2016

	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem	$ 875,000	$ 875,000	$ 924,388	$ 49,388
Miscellaneous	1,400	195,676	99,047	(96,629)
Total Revenues	$ 876,400	$1,070,676	$1,023,435	$ (47,241)
Expenditures:				
General Government-				
Personnel Cost	$ 303,565	$ 287,734	$ 247,652	$ 40,082
Utilities & Telephone	190,000	187,000	111,067	75,933
Repairs & Maintenance	700,000	462,500	192,697	269,803
Insurance	35,000	28,500	28,440	60
Building & Grounds Supplies	88,700	93,700	31,982	61,718
Miscellaneous	12,500	22,100	15,058	7,042
Capital Expenditures	85,000	0	0	0
Total Expenditures	$1,414,765	$1,081,534	$ 626,896	$454,638
Excess of Revenues over Expenditures	$ (538,365)	$ (10,858)	$ 396,539	$407,397
Fund Balance-Beginning of Year	2,227,212	2,227,212	2,227,212	0
Fund Balance-End of Year	$ 1,688,847	$2,216,354	$2,623,751	$407,397

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, 2016

	Completed Grant 7-1-14 to 2-28-15				
	Budget Program Year 2015-15	Prior Year Actual	Current Year Actual	Total 2015-2016 Actual	Variance Favorable (Unfavorable)
Revenues:					
Intergovernmental-					
Federal Grant – DHHS	$2,264,069	$1,774,060	$248,878	$2,022,938	$(241,131)
Miscellaneous/In Kind	0	0	0	0	0
Total Revenues	$2,264,069	$1,774,060	$248,878	$2,022,938	$(241,131)
Expenditures:					
Program Administration-					
Salaries	$ 130,567	$ 73,566	$ 10,340	$ 83,906	$ 46,661
Fringe	71,134	17,985	4,386	22,371	48,763
Travel	684	320	0	320	364
Operating Services	28,528	6,029	2,640	8,669	19,859
Operating Supplies	5,000	0	824	824	4,176
Program Services-					
Salaries	1,042,456	831,265	162,850	994,115	48,341
Fringe	645,555	440,280	91,164	531,444	114,111
Travel	4,171	5,169	431	5,600	(1,429)
Operating Services-					
Utilities	69,463	44,267	17,259	61,526	7,937
Telephone	12,500	14,659	3,095	17,754	(5,254)
Maintenance & Repairs	25,000	28,389	2,049	30,438	(5,438)
Contract Payments	21,000	50,414	7,541	57,955	(36,955)
Other	0	11,775	6,579	18,354	(18,354)
Operating Supplies-					
Program Supplies	197,511	97,288	2,974	100,262	97,249
Office Supplies	10,500	0	0	0	10,500
Food	0	0	27,432	27,432	(27,432)
Capital Expenditures	0	0	0	0	0
Total Expenditures	$2,264,069	$1,621,406	$339,564	$1,960,970	$ 303,822
Excess of Revenues over Expenditures	$ 0	$ 152,654	$ (90,686)	$ 61,968	$ 61,968
Other Financing Uses:					
Transfer (To)/From-					
General Fund	$ 0	$ 0	$ 0	$ 0	$ 0
Child Care Food Program	0	(53,512)	15,192	(38,320	(38,320)
Total Other Financing Sources	$ 0	$ (53,512)	$ 15,192	$ (38,320)	$ (38,320)
Excess (Deficiency) of Revenues over Expenditures and Other Uses	$ 0	$ 99,142	$ (75,494)	$ 23,648	$ 23,648
Fund Balance-Beginning of Year	0	9,835	108,977	0	0
Fund Balance-End of Year	$ 0	$ 108,977	$ 33,483	$ 23,648	$ 23,648

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

Grant in Progress 3-1-15 to 2-28-16			
Budget Program Year 2016-16	Current Year Actual	Remaining Budget	Total Current Year Actual All Grants
$2,304,822	$1,750,011	$(554,811)	$1,998,889
0	306	306	306
$2,304,822	$1,750,317	$(554,505)	$1,999,195
$ 139,126	$ 96,209	$ 42,917	$ 106,549
73,647	37,622	36,025	42,008
847	2,970	(2,123)	2,970
22,072	8,788	13,284	11,428
3,872	3,930	(58)	4,754
1,068,413	794,259	274,154	957,109
649,279	537,369	111,910	628,533
4,008	6,615	(2,607)	7,046
60,949	44,812	16,137	62,071
12,500	13,376	(876)	16,471
38,000	19,238	18,762	21,287
36,022	44,384	(8,362)	51,925
0	36,010	(36,010)	42,589
176,471	52,177	124,294	55,151
15,616	12,027	3,589	12,027
4,000	14,773	(10,773)	42,205
0	0	0	0
$2,304,822	$1,724,559	$ 580,263	$2,064,123
$ 0	$ 25,758	$ (25,758)	$ (64,928)
$ 0	$ 12,989	$ (12,989)	$ 12,989
0	(44,824)	44,824	(29,632)
$ 0	$ (31,835)	$ 31,835	$ (16,643)
$ 0	$ (6,077)	$ 6,077	$ (81,571)
0	0	0	108,977
$ 0	$ (6,077)	$ 6,077	$ 27,406

Natchitoches Parish Government
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2016

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
Parochial Employees' Retirement System					
2015	.722994%	$ 197,341	$3,967,151	4.974%	98.891%
2016	.689525%	$1,815,028	$3,951,281	45.935%	99.315%
District Attorneys' Retirement System					
2015	.251955%	$ 13,571	$ 103,650	13.104%	98,561%
2016	.133664%	$ 25,584	$ 85,343	29.980%	95.090%
Registrar of Voters Employees' Retirement System					
2015	.1674096%	$ 40,999	$ 24,642	166.378%	76.857%
2016	.1699960%	$ 48,235	$ 21,454	224.830%	73.980%

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

Natchitoches Parish Government
Schedule of Employer Contributions
For the Year Ended December 31, 2016

Year	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
Parochial Employees' Retirement System					
2015	$536,639	$536,639	$0	$3,967,151	13.53%
2016	$513,666	$513,666	$0	$3,951,281	12.99%
District Attorneys' Retirement System					
2015	$ 5,450	$ 5,450	$0	$103,560	5.26%
2016	$ 613	$ 613	$0	$ 85,343	0.72%
Registrar of Voters Employees' Retirement System					
2015	$ 5,744	$ 5,744	$0	$ 24,642	23.31%
2016	$ 4,543	$ 4,543	$0	$ 21,454	21.18%

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, 2016

Agency Head Name: Rick Nowlin, Parish President

Purpose	Amount
Salary	$81,200
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Other (Social Security/Medicare)	6,211
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	2,179
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	0
Total	$89,547

See independent auditor's report.

OTHER SUPPLEMENTAL SCHEDULES

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Funds				
	Health Unit Maintenance	Criminal Court Fund	Civil Defense Fund	Natchitoches Parish Litter Court	Kisatchie Search & Rescue
Assets					
Cash	$ 795,332	$221,679	$32,316	$461	$21,480
Revenue Receivables	826,197	47,545	13,585	0	0
Prepaid Expense	4,659	10,805	794	0	0
Due from Other Funds	0	5,595	0	0	0
Total Assets	$1,626,188	$285,624	$46,695	$461	$21,480
Liabilities					
Cash Overdraft	$ 0	$ 0	$ 0	$ 0	$ 0
Accounts Payable	4,333	177	10	0	0
Accrued Payroll	4,645	0	802	0	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	$ 8,978	$ 177	$ 812	$ 0	$ 0
Fund Balance					
Nonspendable	$ 4,659	$ 10,805	$ 0	$ 0	$ 0
Restricted	1,612,551	274,642	45,883	461	21,480
Unassigned	0	0	0	0	0
Total Fund Balance	$1,617,210	$285,447	$45,883	$461	$21,480
Total Liabilities & Fund Balance	$1,626,188	$285,624	$46,695	$461	$21,480

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

Special Revenue Funds						
Recreation & Fitness	Planning	Title III Kisatchie Search & Rescue	Public Safety	Criminal Law/ Juror Fees	Coroner	OCS Operating
$772	$119,365	$115,782	$ 134,137	$19,606	$10,084	$530
0	0	26,896	0	1,673	0	0
0	2,280	0	4,163	0	0	0
0	0	0	0	0	0	0
$772	$121,645	$142,678	$ 138,300	$21,279	$10,084	$530
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
0	294	0	61,410	0	6,347	0
0	0	0	789	0	0	0
0	0	0	714,223	0	0	0
0	0	0	5,595	0	0	0
$ 0	$ 294	$ 0	$ 782,017	$ 0	$ 6,347	$ 0
$ 0	$ 2,280	$ 0	$ 0	$ 0	$ 0	$ 0
772	119,071	142,678	0	21,279	3,737	530
0	0	0	(643,717)	0	0	0
$772	$121,351	$142,678	$(643,717)	$21,279	$ 3,737	$530
$772	$121,645	$142,678	$ 138,300	$21,79	$10,084	$530

Continued next page.

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Funds				
	OCS Family Daycare	OHD LIHEAP	DOL CSBG	OCS RSVP	CCIP CACFP
Assets					
Cash	$110	$58,994	$14,998	$3,050	$32,631
Revenue Receivables	0	0	14,150	0	44,793
Prepaid Expense	0	131	0	0	4,190
Due from Other Funds	0	0	0	0	0
Total Assets	$110	$59,125	$29,148	$3,050	$81,614
Liabilities					
Cash Overdraft	$ 0	$ 48	$ 1,289	$ 650	$ 0
Accounts Payable	0	40	40	0	8,482
Accrued Payroll	0	433	2,401	0	153
Due to Other Governments	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	$ 0	$ 521	$ 3,730	$ 650	$ 8,635
Fund Balance					
Nonspendable	$ 0	$ 131	$ 0	$ 0	$ 4,190
Restricted	110	58,473	25,418	2,400	68,789
Unassigned	0	0	0	0	0
Total Fund Balance	$110	$58,604	$25,418	$2,400	$72,979
Total Liabilities & Fund Balance	$110	$59,125	$29,148	$3,050	$81,614

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

Special Revenue Funds						
CHC Head Start Handicap	TTA/ CDA	OCS Food Bank	Elderly Entertainment	Senior Companion Program	Summer Feeding Program	Wal-Mart VAP Fund
$ 23	$162	$786	$630	$9,050	$6,922	$959
0	0	0	0	0	0	0
0	0	0	0	822	0	0
0	0	0	0	0	0	0
$ 23	$162	$786	$630	$9,872	$6,922	$959
$ 71	$ 0	$ 0	$ 0	$3,835	$ 0	$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
$ 71	$ 0	$ 0	$ 0	$3,835	$ 0	$ 0
$ 0	$ 0	$ 0	$ 0	$ 822	$ 0	$ 0
0	162	786	630	5,215	6,922	959
(48)	0	0	0	0	0	0
$(48)	$162	$786	$630	$6,037	$6,922	$959
$ 23	$162	$786	$630	$9,872	$6,922	$959

Continued next page.

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Funds			Capital Projects Funds	
	International Paper Grant	O/S Reimb. for HD	Prime Time Reading Program	Old River Road	FEMA Grant
Assets					
Cash	$421	$ 31	$183	$65,000	$1
Revenue Receivables	0	0	0	0	0
Prepaid Expense	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Total Assets	$421	$ 31	$183	$65,000	$1
Liabilities					
Cash Overdraft	$ 0	$ 0	$ 0	$ 0	$0
Accounts Payable	0	0	0	0	0
Accrued Payroll	0	866	0	0	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	$ 0	$ 866	$ 0	$ 0	$0
Fund Balance					
Restricted	$421	$ 0	$ 0	$ 0	$0
Nonspendable	0	(835)	183	65,000	1
Unassigned	0	0	0	0	0
Total Fund Balance	$421	$(835)	$183	$65,000	$1
Total Liabilities & Fund Balance	$421	$ 31	$183	$65,000	$1

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

Capital Projects Funds					
LCDBG LA Step Grant	LCDBG Grant	LCDBG Martco Grant	LA 480 State Grant Fund	Coco Bed Road	Total Nonmajor Governmental Funds
$1	$1	$1	$25,000	$480	$1,690,978
0	0	0	0	0	974,839
0	0	0	0	0	27,844
0	0	0	0	0	5,595
$1	$1	$1	$25,000	$480	$2,699,256
$0	$0	$0	$ 0	$ 0	$ 5,893
0	0	0	0	0	81,133
0	0	0	0	0	10,089
0	0	0	0	0	714,223
0	0	0	0	0	5,595
$0	$0	$0	$ 0	$ 0	$ 816,933
$0	$0	$0	$ 0	$ 0	$ 22,887
1	1	1	25,000	480	2,503,201
0	0	0	0	0	(643,765)
$1	$1	$1	$25,000	$480	$1,882,323
$1	$1	$1	$25,000	$480	$2,699,256

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2016

	Special Revenue Funds				
	Health Unit Maintenance	Criminal Court Fund	Civil Defense Fund	Natchitoches Parish Litter Court	Kisatchie Search & Rescue
Revenues:					
Taxes-					
Ad Valorem	$ 946,523	$ 0	$ 0	$ 0	$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	0	0	0	0
State Grants	0	15,484	0	0	0
Other Grants	0	296,193	50,742	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	184,168	0	0	0
Interest & Miscellaneous	5,008	180	0	0	0
Total Revenues	$ 951,531	$ 496,025	$50,742	$ 0	$ 0
Expenditures:					
Current-					
General Government	$ 0	$ 0	$ 0	$ 0	$ 0
Public Safety	0	618,482	53,557	0	0
Public Works	0	0	0	0	0
Health & Welfare	526,407	0	0	0	0
Total Expenditures	$ 526,407	$ 618,482	$53,557	$ 0	$ 0
Excess (Deficiency) of Revenues over Expenditures	$ 425,124	$(122,457)	$ (2,815)	$ 0	$ 0
Other Financing Sources (Uses):					
Operating Transfers In	$ 0	$ 240,000	$ 0	$ 0	$ 0
Operating Transfers Out	(300,000)	0	0	0	0
Total Other Financing	$ (300,000)	$ 240,000	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 125,124	$ 117,543	$ (2,815)	$ 0	$ 0
Fund Balances (Deficit)- Beginning of Year	1,492,086	167,904	48,698	461	21,480
Fund Balances (Deficit)- End of Year	$1,617,210	$ 285,447	$45,883	$461	$21,480

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

Special Revenue Funds						
Recreation & Fitness	Planning	Title III Kisatchie Search & Rescue	Public Safety	Criminal Law/ Juror Fees	Coroner	OCS Operating
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
0	160,348	0	0	0	0	0
0	0	26,896	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	85,608	0
0	0	0	0	0	0	0
0	0	0	0	45,646	0	0
0	317	0	36,365	0	50	270
$ 0	$160,665	$ 26,896	$ 36,365	$45,646	$ 85,658	$ 270
$ 0	$155,601	$ 0	$ 168,329	$ 0	$ 0	$ 717
0	0	0	960,111	39,558	86,618	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
$ 0	$155,601	$ 0	$ 1,128,440	$39,558	$ 86,618	$ 717
$ 0	$ 5,064	$ 26,896	$(1,092,075)	$ 6,088	$ (960)	$(447)
$ 0	$ 0	$ 0	$ 1,100,000	$ 0	$ 10,000	$ 0
0	0	0	0	0	0	0
$ 0	$ 0	$ 0	$ 1,100,000	$ 0	$ 10,000	$ 0
$ 0	$ 5,064	$ 26,896	$ 7,925	$ 6,088	$ 9,040	$(447)
772	116,287	115,782	(651,642)	15,191	(5,303)	977
$772	$121,351	$142,678	$ (643,717)	$21,279	$ 3,737	$ 530

Continued next page.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2016

	Special Revenue Funds				
	OCS Family Daycare	OHD LIHEAP	DOL CSBG	OCS RSVP	CCIP CACFP
Revenues:					
Taxes-					
Ad Valorem	$ 0	$ 0	$ 0	$ 0	$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	28,972	161,393	0	245,010
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	55	0	0	0	378
Total Revenues	$ 55	$28,972	$161,393	$ 0	$245,388
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	0	28,275	160,504	0	267,001
Total Expenditures	$ 0	$28,275	$160,504	$ 0	$267,001
Excess (Deficiency) of Revenues over Expenditures	$ 55	$ 697	$ 889	$ 0	$ (21,613)
Other Financing Sources (Uses):					
Operating Transfers In	$ 0	$ 0	$ 14,150	$ 0 0	$ 72,160
Operating Transfers Out	0	(9,218)	(7,521)	0	(36,016)
Total Other Financing	$ 0	$ (9,218)	$ 6,629	$ 0	$ 36,144
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 55	$ (8,521)	$ 7,518	$ 0	$ 14,531
Fund Balances (Deficit)- Beginning of Year	55	67,125	17,900	2,400	58,448
Fund Balances (Deficit)- End of Year	$110	$58,604	$ 25,418	$2,400	$ 72,979

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

Special Revenue Funds

CHC Head Start Handicap	TTA/ CDA	OCS Food Bank	Elderly Entertainment	Senior Companion Program	Summer Feeding Program	Wal-Mart VAP Fund
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
0	0	0	0	0	0	0
42,056	14,291	0	0	158,583	116,497	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	948
$42,056	$14,291	$ 0	$ 0	$158,583	$116,497	$948
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
42,056	14,129	0	0	168,635	123,912	360
$42,056	$14,129	$ 0	$ 0	$168,635	$123,912	$360
$ 0	$ 162	$ 0	$ 0	$ (10,052)	$ (7,415)	$588
$ 0	$ 0	$ 0	$ 0	$ 8,011	$ 0	$ 0
0	0	0	0	0	0	0
$ 0	$ 0	$ 0	$ 0	$ 8,011	$ 0	$ 0
$ 0	$ 162	$ 0	$ 0	$ (2,041)	$ (7,415)	$588
(48)	0	786	630	8,078	14,337	371
$ (48)	$ 162	$786	$630	$ 6,037	$ 6,922	$959

Continued next page.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2016

	Special Revenue Funds			Capital Projects Funds	
	International Paper Grant	O/S Reimb. for HD	Prime Time Reading Program	Old River Road	FEMA Grant
Revenues:					
Taxes-					
Ad Valorem	$ 0	$ 0	$ 0	$ 0	$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	0	0	0	
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	0	691	412	0	360
Total Revenues	$ 0	$ 691	$412	$ 0	$ 360
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	0	1,526	412	0	0
Total Expenditures	$ 0	$1,526	$412	$ 0	$ 0
Excess (Deficiency) of Revenues over Expenditures	$ 0	$ (835)	$ 0	$ 0	$ 360
Other Financing Sources (Uses):					
Operating Transfers In	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Transfers Out	0	0	0	0	(69,132)
Total Other Financing	$ 0	$ 0	$ 0	$ 0	$(69,132)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 0	$ (835)	$ 0	$ 0	$(68,772)
Fund Balances (Deficit)- Beginning of Year	421	0	183	65,000	68,773
Fund Balances (Deficit)- End of Year	$421	$ (835)	$183	$65,000	$ 1

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

Capital Projects Funds					
LCDBG LA Step Grant	LCDBG Grant	LCDBG Martco Grant	LA 480 State Grant Fund	Coco Bed Road	Total Nonmajor Governmental Funds
$0	$0	$0	$ 0	$ 0	$ 946,523
0	0	0	0	0	160,348
0	0	0	0	0	793,698
0	0	0	0	0	15,484
0	0	0	0	0	432,543
0	0	0	0	0	0
0	0	0	0	0	229,814
0	0	0	0	0	45,034
$0	$0	$0	$ 0	$ 0	$2,623,444
$0	$0	$0	$ 0	$ 0	$ 324,647
0	0	0	0	0	1,758,326
0	0	0	0	600	600
0	0	0	0	0	1,333,217
$0	$0	$0	$ 0	$ 600	$3,416,790
$0	$0	$0	$ 0	$ (600)	$ (793,346)
$0	$0	$0	$ 0	$ 0	$1,444,321
0	0	0	0	0	(421,887)
$0	$0	$0	$ 0	$ 0	$1,022,434
$0	$0	$0	$ 0	$ (600)	$ 229,088
1	1	1	25,000	1,080	1,653,235
$1	$1	$1	$25,000	$ 480	$1,882,323

Natchitoches Parish Government
Supplementary Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Total Current Year Expenditures
DIRECT PROGRAMS:		
U. S. Department of Agriculture-		
Kisatchie National Forest	10.666	$ 334,056
Federal Emergency Management Agency- Disaster Grants – Public Assistance	97.036	502,650
Department of Health & Human Services-		
Head Start Program	93.600	1,998,889
Head Start-Handicap Program	93.600	42,056
Head Start TTA/CDA	93.600	14,290
Senior Companion Program	94.016	158,583
PASS-THROUGH PROGRAMS:		
Louisiana Department of Labor-		
Community Services Block Grant	93.569	161,393
Louisiana Housing Finance Agency		
Low-Income Energy Assistance Program	93.568	28,972
Louisiana Department of Education-		
Child Care Food Program	10.558	272,139
Summer Food Service Program	10.559	116,497
Totals		$3,629,525

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, 2016

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.

OTHER REPORTS

Johnson, Thomas & Cunningham
Certified Public Accountants

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

To the 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, 2016, 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 6, 2017.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described as 2017-001 and 2017-002 in the accompanying schedule of findings and questioned costs to be material weaknesses.

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 no instances of noncompliance or other matters that are 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 6, 2017
Natchitoches, Louisiana

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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, 2016. 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, 2016.

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 6, 2017
Natchitoches, Louisiana

Natchitoches Parish Government
Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

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, 2016.

2. The audit disclosed two material weaknesses in internal control (2016-001 and 2016-002)

3. The audit did not disclose any instances of noncompliance that are required to be reported under *Government Auditing Standards.*

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, 2016:

    - 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*:

Internal Control-

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

Criteria – The Natchitoches Parish Government Solid Waste fund bills and collects payments for Solid Waste operations. The payment collections should be reconciled to bank deposits on a daily basis. In addition, the accounts receivable for billed but not yet paid should be reconciled to a subsidiary accounts receivable system.

Natchitoches Parish Government
Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

Condition – Reconciliations for payment collections were not reconciled to bank deposits by persons not responsible for the payment collection process. In addition, the accounts receivable were not reconciled to a subsidiary accounts receivable system.

Effect – Solid Waste revenue could be misappropriated and not detected.

Cause – The Natchitoches Parish Government did not have sufficient internal control procedures in place to perform reconciliations of Solid Waste payment collections and accounts receivable.

Recommendation – Management should ensure that internal control procedures are designed and implemented to ensure that payment collections are reconciled on a daily basis and accounts receivable are reconciled to a subsidiary accounts receivable system at least monthly.

Management's Response – As of April, 2017, the Purchasing Agent transferred to the Accounting Staff. She has knowledge of our accounting procedures and needs. She has been assigned the duty of balancing Solid Waste Deposits and monthly billings with her other duties. Procedures have been written and we have them in place.

All Solid Waste Deposits are being made on a daily basis by the Accounting Department. All deposits refer to a ticket number for reference. The Solid Waste department emails an excel sheet with all transactions to the Accounting Department.

The Parish Treasurer will review for accuracy and transparency at the end of each month, quarter, and annually.

2016-002 *Control over Payroll Reconciliations*

Criteria – Natchitoches Parish Government should perform reconciliations between the general ledger, payroll system, and payroll report to ensure correct reporting of wages, payroll taxes.

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.

Effect – The potential exists for the Parish Government to overpay/underpay payroll taxes, hospitalization insurance, and retirement expenses when preparing monthly and quarterly reports. In addition, the potential exists for the financial statements to have misstatements in payroll related expenditures.

Cause – The Natchitoches Parish Government did not have sufficient internal control procedures in place to perform reconciliations between the general ledger, payroll system, and payroll report to ensure correct reporting of wages, payroll taxes.

Natchitoches Parish Government
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2016

Recommendation – Management should ensure that internal control procedures are designed and implemented to ensure that monthly, quarterly and annual payroll reports be reconciled to the general ledger, and that the payroll fund within the Parish Government's general ledger (Fund 004), be reconciled to the related Parish Government funds each time that payroll is paid.

Management's Response – The HR/Payroll Clerk will balance Fund 004 for each bi-weekly and monthly payroll to ensure all accounts are in compliance at all times. The Accounting department will rewrite Fund 004 reconciliation procedures. We will seek training to ensure a clear understanding of the needed reconciliation. The Parish Treasurer will ensure procedures are completed timely and accurately on a monthly, quarterly and annual basis.

III. PRIOR YEAR AUDIT FINDINGS

2015-001 Control *over Reconciliation of Cash Collections*

Condition - The Natchitoches Parish Government collects cash for Planning and 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 has been partially cleared as of December 31, 2016 (see 2017-001).

2015-002 *Internal Controls over Program Revenues and Expenditures for the Office of Community Services and Head Start Programs – (Cash Management CFDA #93.600)*

Condition – The Office of Community Services (hereinafter OCS) and Head Start, component units of the Parish Government, administer several Federal and State grant programs which are generally expenditure driven. As a result, the program's revenues should equal expenditures. OCS and Head Start personnel are not reconciling requests for funds to the general ledgers. As a result, several funds have positive cash balances which cannot be reconciled to expenditures that have been incurred.

Status – The condition is cleared as of December 31, 2016.