

**LIVINGSTON PARISH COUNCIL
LIVINGSTON, LOUISIANA**

Audit of Financial Statements

December 31, 2013

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Independent Auditor's Report

To the Honorable Parish President
and Members of the Parish Council
Livingston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Council (the Council), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Council's primary government 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. 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.

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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 Council'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 Council's primary government unless the Council also issues financial statements for the financial reporting entity that include the financial data for its component units. The Council has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units are not reasonably obtainable.

Basis for Qualified Opinion on the Road Special Revenue Fund

We did not observe the taking of the physical inventories included in the Road Special Revenue Fund of \$168,387 at December 31, 2013, since that date was prior to the time we were initially engaged as auditors by the Council. We were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented 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 Livingston Parish Council, as of December 31, 2013, or the changes in financial position thereof for the year then ended.

Qualified Opinion on the Road Special Revenue Fund

In our opinion, except for the matter disclosed in the "Basis for Qualified Opinion on the Road Special Revenue Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Road Special Revenue Fund of the Livingston Parish Council as of December 31, 2013, and the respective changes in financial position and the respective budgetary comparison for the Road Special Revenue Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities; the business-type activities; the General Fund, Health Unit Fund, Jail Sales Tax Fund, Courthouse Capital Project Fund, Road 06 Sinking Fund, and Proprietary Fund; and the aggregate remaining fund information of the primary government of the Livingston Parish Council as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Health Unit Fund, and Jail Sales Tax Fund 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 beginning on page 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise Livingston Parish Council's primary government financial statements. The schedules listed in the table of contents as Schedules 1 through 4 are presented for purposes of additional analysis and are not a required part of the Council's basic financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2014, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Livingston Parish Council's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
June 29, 2014

LIVINGSTON PARISH COUNCIL

Management's Discussion and Analysis

Introduction

Livingston Parish Council (the Council) is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34), and related standards.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Council's financial activity, (c) identify changes in the Council's financial position, (d) identify any significant variations from the Council's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Council's financial statements starting on page 11 of this report.

Financial Highlights

- At December 31, 2013, the Council's assets exceeded its liabilities by \$94,063,728 (net position). Of this amount, \$68,730,265 is net investment in capital assets, \$7,492,916 is restricted for construction; \$8,821,586 is restricted to meet the Council's ongoing obligations to its citizens for debt service, \$54,995 is restricted for the criminal court, and \$92,784 is restricted for grant expenses, leaving an unrestricted surplus of \$8,871,182.
- At December 31, 2013, the Council's governmental funds reported a combined ending fund balance of \$30,838,074. Of this amount, 24.3%, or \$7,492,916, is restricted for construction and 1.5%, or \$467,590, is committed for construction; 28.6%, or \$8,821,586, is restricted for debt service; 0.6%, or \$186,604, is nonspendable for inventory; 12.1%, or \$3,731,708 is nonspendable for advances; 0.3%, or \$92,784, is restricted for grant expenditures, while 1.6%, or \$486,100, is committed for grant expenditures; 18%, or \$5,553,193, is assigned to Health Unit Fund expenditures; 17.4%, or \$5,375,363, is assigned to Road Fund expenditures, 0.2%, or \$54,995, is restricted for the criminal court, while 2.9%, or \$895,735, is assigned to various other purposes; and 7.5%, or \$2,320,500, is an unassigned deficit fund balance.

Overview of the Annual Financial Report

The financial statements' focus is on both the Council as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Council's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities. The MD&A is intended to serve as an introduction to the Council's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private-sector business.

LIVINGSTON PARISH COUNCIL

Management's Discussion and Analysis

The Statement of Net Position presents information on the Council's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The Statement of Activities presents information showing how the Council's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Council's revenues. This is intended to summarize and simplify the reader's analysis of the cost and/or subsidy of various governmental services.

In both of the government-wide financial statements, the Council's activities are divided into two types:

1. Governmental activities - Most of the Council's basic services are reported here and are financed primarily through governmental activities
2. Business-type activities - The Council charges a fee to customers to help it cover most of the cost of the services provided. The activities of the Livingston Parish Utility Fund are reported in this section.

The government-wide financial statements only include the Livingston Parish Council (no component units of the Livingston Parish Council are included) and can be found on pages 11 and 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Council uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Council's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund financial statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. The basic governmental fund financial statements can be found on pages 14 through 23 of this report.

LIVINGSTON PARISH COUNCIL

Management's Discussion and Analysis

Because the focus of governmental funds is narrower than the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Council's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds account for utility services provided by the Council to its customers. The proprietary fund statements provide the same type of information as the government-wide financial statements, but the fund's presentation provides more detail. The basic proprietary fund financial statements can be found on pages 24 through 27 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Council's own programs.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Council's net position for the current year. For more detailed information, see the Statement of Net Position on page 11 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$ 39,714,919	\$ 42,742,724	\$ 308,322	\$ 148,880	\$ 40,023,241	\$ 42,891,604
Capital Assets	143,672,528	141,936,207	8,297,480	7,939,758	151,970,008	149,875,965
Total Assets	183,387,447	184,678,931	8,605,802	8,088,638	191,993,249	192,767,569
Deferred Outflow of Resources	377,331	431,056	-	-	377,331	431,056
Total Assets and Deferred Outflow of Resources	\$ 183,764,778	\$ 185,109,987	\$ 8,605,802	\$ 8,088,638	\$ 192,370,580	\$ 193,198,625
Liabilities						
Current Liabilities	\$ 14,726,384	\$ 5,760,765	\$ 237,525	\$ 39,845	\$ 14,963,909	\$ 5,800,610
Other Liabilities	80,849,877	92,893,620	2,493,066	2,739,704	83,342,943	95,633,324
Total Liabilities	\$ 95,576,261	\$ 98,654,385	\$ 2,730,591	\$ 2,779,549	\$ 98,306,852	\$ 101,433,934
Net Position						
Net Investment in Capital Assets	\$ 63,010,299	\$ 63,640,152	\$ 5,719,966	\$ 5,200,555	\$ 68,730,265	\$ 68,840,707
Restricted	16,462,281	24,993,542	-	61,619	16,462,281	25,055,161
Unrestricted	8,715,937	(2,178,092)	155,245	46,915	8,871,182	(2,131,177)
Total Net Position	\$ 88,188,517	\$ 86,455,602	\$ 5,875,211	\$ 5,309,089	\$ 94,063,728	\$ 91,764,691

LIVINGSTON PARISH COUNCIL

Management's Discussion and Analysis

Approximately 73% of the Council's net position reflects its investment in capital assets (land, buildings, furniture, equipment), net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for fixture spending.

Approximately 18% of the Council's net position represents resources that are subject to external restriction on how they may be used. The Council's restricted assets consist of reserves required for capital projects and debt service.

Approximately 9% of the Council's net position is unrestricted and may be used to meet the Council's ongoing obligations to its citizens at the Council's discretion.

At the end of the current fiscal year, the Council was able to report positive balances in both categories of net position, governmental activities and business-type activities.

The Council's activities increased its total net position by \$2,299,037, during the fiscal year. The increase in its governmental activities was \$1,732,915, and the increase in its business activities was \$566,122.

In order to further understand what makes up the changes in net position, see the Statement of Activities on page 12 of this report.

The Statement of Activities on page 12 of this report indicates the Livingston Parish Council revenues and expenses by program. A summary follows:

General Revenues		
Taxes	\$ 22,378,271	91%
Royalties	1,728,189	7%
Miscellaneous	340,105	1%
Interest Income	39,767	0%
Total	24,486,332	100%

Livingston Parish Council's program expenses from governmental activities are detailed by function on the Statement of Activities. A summary follows:

General Government	\$ 5,799,361	17%
Public Safety	6,135,712	18%
Public Works	15,781,121	46%
Health and Welfare	1,603,310	5%
Culture and Recreation	647,904	2%
Economic Development	77,776	0%
Debt Service Interest and Fees	4,064,515	12%
Total	34,109,699	100%

LIVINGSTON PARISH COUNCIL

Management's Discussion and Analysis

There are \$34.1 million in total expenses for governmental activities and about \$745 thousand in business activities from sewer and water services. Public works expenses account for \$15.8 million, or 46.3%, which is related to the construction and maintenance of the parish roads, bridges, and related drainage. Public safety expenses account for \$6.1 million, or 18%, which is related to the operation of the parish jail and the Office of Homeland Security and Emergency Preparedness. General government expenses account for \$5.8 million, or 17%, which is related to overall council government and the judicial system. After public works and public safety, debt service interest and fees is the largest governmental expense, and will remain so for at least ten years. This accounts for \$4 million, or 11.9%, of total governmental activities. Other expenses, including health and welfare, culture and recreation, and economic development totaled \$2.3 million, or 6.8%, of total expenses.

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 14 through 23 of this report.

At the end of the current year, the Council's governmental funds reported a combined ending fund balance of \$30,838,074. This represents a decrease of \$6,072,202 from the prior year's ending balance. This decrease is largely due to capital project expenditures.

Within governmental funds, there are intra-fund appropriations called transfers. These amounts are reported on the governmental funds Statement E, Statement of Revenues, Expenditures and Changes in Fund Balances. By their nature, transfers balance among governmental funds and are eliminated on the Statement of Activities. The largest single use of transfers is from special revenue funds to debt service funds in order to pay the debt service.

In analyzing the fund balances of the individual funds, we found that the Jail Sales Tax Fund has the most serious problem. This fund accounts for the expenses of the parish prison. We anticipate that in 2021, after the jail debt is paid off, the Jail Sales Tax Fund will begin repaying its debt to the General Fund and have the ability to operate independently.

This approximately \$7 million, which is due to transfers from other funds, adversely affects the General Fund and Health Unit Fund; however, this amount is not readily collectible.

Major Governmental Fund Budgetary Highlights

Livingston Parish Council demonstrated legal compliance by adopting and amending budgets in accordance with provisions of the Local Government Budget Act.

LIVINGSTON PARISH COUNCIL

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

The Council's investment in capital assets for its governmental activities as of December 31, 2013, amounted to \$143,672,528 (net of depreciation) and \$8,297,480 (net of depreciation) for its business-type activities.

The following table provides a summary of the Council's capital assets (net of depreciation) for governmental activities at the end of the current year as compared to the prior year. For more detailed information, see Note 10 to the financial statements.

	2013	2012
Land	\$ 5,844,429	\$ 5,844,429
Buildings	45,429,947	45,105,087
Recreational Facilities	3,499,853	3,593,809
Improvements/Infrastructure	70,316,563	76,143,233
Machinery and Equipment	1,538,945	1,730,705
Furniture and Fixtures	47,146	76,086
Sewer System	1,884,548	2,026,297
Construction in Progress	15,111,097	7,416,561
Total	<u>\$ 143,672,528</u>	<u>\$ 141,936,207</u>

Long-Term Debt

At December 31, 2013, the Council had total debt outstanding of \$89,644,643. Of this total, \$6,301,700 is due within one year and \$83,342,943 is due after one year.

Contacting the Council's Financial Management

This financial report is designed to provide the Council's users with a general overview of the Council's finances and show the Council's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Livingston Parish Council, Finance Department, 20399 Government Blvd., Post Office Box 427, Livingston, Louisiana 70754. The Council's telephone number is (225) 686-2266.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

LIVINGSTON PARISH COUNCIL
Statement of Net Position
December 31, 2013

Statement A

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 5,509,530	\$ 325,932	\$ 5,835,462
Investments	3,407,261	-	3,407,261
Receivables, Net of Allowance	1,643,857	125,158	1,769,015
Inventory	186,604	-	186,604
Internal Balances	222,383	(222,383)	-
Due from Other Governments	12,320,275	-	12,320,275
Due from Component Unit	2,945	-	2,945
Unamortized Bond Insurance Premiums	653,977	-	653,977
Prepaid Items	266,580	670	267,250
Restricted Assets			
Cash	6,871,428	78,945	6,950,373
Investments	8,630,079	-	8,630,079
Capital Assets			
Non-Depreciable	20,955,526	190,726	21,146,252
Depreciable - Net	122,717,002	8,106,754	130,823,756
Total Assets	183,387,447	8,605,802	191,993,249
Deferred Outflows of Resources			
Deferred Amount on Refunding of Debt	377,331	-	377,331
Total Deferred Outflows of Resources	377,331	-	377,331
Liabilities			
Accounts Payable and Accrued Expenses	5,537,668	149,695	5,687,363
Overdraft Payable	1,092,566	-	1,092,566
Due to Other Governments	574,768	-	574,768
Unearned Revenue	19,700	-	19,700
Accrued Bond Interest Payable	1,284,931	2,881	1,287,812
Non-Current Liabilities			
Due Within One Year	6,216,751	84,949	6,301,700
Due in More than One Year	80,849,877	2,493,066	83,342,943
Total Liabilities	95,576,261	2,730,591	98,306,852
Net Position			
Net Investment in Capital Assets	63,010,299	5,719,966	68,730,265
Restricted for:			
Construction	7,492,916	-	7,492,916
Criminal Court	54,995	-	54,995
Debt Service	8,821,586	-	8,821,586
Grant	92,784	-	92,784
Unrestricted	8,715,937	155,245	8,871,182
Total Net Position	\$ 88,188,517	\$ 5,875,211	\$ 94,063,728

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Activities
For the Year Ended December 31, 2013

Statement B

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 5,799,361	\$ 1,407,121	\$ 497,574	\$ 1,394,022	\$ (2,500,644)	\$ -	\$ (2,500,644)
Public Safety	6,135,712	1,378,147	902,763	32,710	(3,822,092)	-	(3,822,092)
Public Works	15,781,121	154,023	1,547,697	3,101,467	(10,977,934)	-	(10,977,934)
Health and Welfare	1,603,310	35,730	312,705	-	(1,254,875)	-	(1,254,875)
Culture and Recreation	647,904	-	-	-	(647,904)	-	(647,904)
Economic Development	77,776	-	-	-	(77,776)	-	(77,776)
Debt Service Interest and Fees	4,064,515	-	1,142,441	-	(2,922,074)	-	(2,922,074)
Total Governmental Activities	34,109,699	2,975,021	4,403,180	4,528,199	(22,203,299)	-	(22,203,299)
Business-Type Activities							
Utilities - Water and Sewer	745,007	199,863	-	561,148	-	16,004	16,004
Total Business-Type Activities	745,007	199,863	-	561,148	-	16,004	16,004
Total	\$ 34,854,706	\$ 3,174,884	\$ 4,403,180	\$ 5,089,347	(22,203,299)	16,004	(22,187,295)
General Revenues							
Taxes							
Ad Valorem Taxes					5,772,883	-	5,772,883
Sales Taxes					14,326,519	-	14,326,519
Franchise Taxes					1,297,516	-	1,297,516
Occupational					981,353	-	981,353
Royalties					1,728,189	-	1,728,189
Miscellaneous					340,105	-	340,105
Use of Money and Property					39,649	118	39,767
Transfers					(550,000)	550,000	-
Total General Revenues and Transfers					23,936,214	550,118	24,486,332
Change in Net Position					1,732,915	566,122	2,299,037
Net Position, Beginning of Year					86,455,602	5,309,089	91,764,691
Net Position, End of Year					\$ 88,188,517	\$ 5,875,211	\$ 94,063,728

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

LIVINGSTON PARISH COUNCIL
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Health Unit Fund	Jail Sales Tax Fund	Road Fund
Assets				
Cash and Cash Equivalents	\$ 471,368	\$ 895,643	\$ -	\$ 1,128,695
Investments	71,227	3,067,339	-	268,695
Receivables, Net of Allowance	489,489	40	1,222	-
Restricted Assets				
Cash	92,784	-	-	-
Investments	-	-	-	-
Inventory	-	-	18,217	168,387
Due from Component Units	-	-	-	-
Due from Other Funds	4,026,470	-	-	1,388,509
Due from Other Governments	2,236,624	1,953,706	610,687	5,276,560
Advance to Jail Sales Tax Fund	3,431,708	300,000	-	-
Total Assets	\$ 10,819,670	\$ 6,216,728	\$ 630,126	\$ 8,230,846
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 908,024	\$ 11,560	\$ 211,379	\$ 152,368
Overdraft Payable	-	-	898,663	-
Accrued Expenses Payable	171,242	42,769	28,283	217,873
Due to Component Units	-	-	-	-
Due to Other Governments	102,933	81,657	128,301	97,464
Due to Other Funds	791,277	227,549	2,624,842	1,303,434
Unearned Revenue	19,700	-	-	-
Advance from Other Funds	-	-	3,731,708	-
Total Liabilities	1,993,176	363,535	7,623,176	1,771,139
Fund Balances (Deficits)				
Nonspendable:				
Inventory	-	-	18,217	168,387
Advances	3,431,708	300,000	-	-
Restricted for:				
Construction	-	-	-	-
Criminal Court	-	-	-	-
Criminal Court Witness	-	-	-	-
Debt Service	-	-	-	-
Grant Expenditures	92,784	-	-	-
Committed for:				
Construction	-	-	-	467,590
State Grant Programs	-	-	-	448,367
Federal Grant Programs	22,500	-	-	-
Other Purposes	15,233	-	-	-
Assigned to:				
Bingo	-	-	-	-
Construction	-	-	-	-
Court Fees	-	-	-	-
Health Unit	-	5,553,193	-	-
Road	-	-	-	5,375,363
Other Purposes	248,113	-	-	-
Unassigned	5,016,156	-	(7,011,267)	-
Total Fund Balances (Deficits)	8,826,494	5,853,193	(6,993,050)	6,459,707
Total Liabilities and Fund Balances (Deficits)	\$ 10,819,670	\$ 6,216,728	\$ 630,126	\$ 8,230,846

The accompanying notes are an integral part of these financial statements.

Statement C

Courthouse Capital Project Fund	Road 06 Sinking Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,013,824	\$ 5,509,530
-	-	-	3,407,261
-	-	421,520	912,271
-	3,341,264	3,437,380	6,871,428
8,630,079	-	-	8,630,079
-	-	-	186,604
-	-	2,945	2,945
-	-	153,329	5,568,308
-	-	2,242,698	12,320,275
-	-	-	3,731,708
\$ 8,630,079	\$ 3,341,264	\$ 9,271,696	\$ 47,140,409
\$ 2,587,318	\$ -	\$ 1,157,813	\$ 5,028,462
-	-	193,903	1,092,566
-	-	23,625	483,792
-	-	25,414	25,414
-	-	164,413	574,768
-	-	398,823	5,345,925
-	-	-	19,700
-	-	-	3,731,708
2,587,318	-	1,963,991	16,302,335
-	-	-	186,604
-	-	-	3,731,708
6,042,761	-	1,450,155	7,492,916
-	-	7,870	7,870
-	-	47,125	47,125
-	3,341,264	5,480,322	8,821,586
-	-	-	92,784
-	-	-	467,590
-	-	-	448,367
-	-	-	22,500
-	-	-	15,233
-	-	28,140	28,140
-	-	238,269	238,269
-	-	351,256	351,256
-	-	-	5,553,193
-	-	-	5,375,363
-	-	29,957	278,070
-	-	(325,389)	(2,320,500)
6,042,761	3,341,264	7,307,705	30,838,074
\$ 8,630,079	\$ 3,341,264	\$ 9,271,696	\$ 47,140,409

LIVINGSTON PARISH COUNCIL
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2013

Statement D

Fund Balances - Total Governmental Funds \$ 30,838,074

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:

Governmental Capital Assets	234,505,905	
Less: Accumulated Depreciation	<u>(90,833,377)</u>	
		143,672,528

Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Unamortized Bond Insurance Premiums	653,977	
Prepaid Insurance	<u>266,580</u>	
		920,557

Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures:

Property Taxes	460,482	
Louisiana Revenue Sharing	<u>271,104</u>	
		731,586

Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds Payable	(85,610,000)	
Accrued Interest Payable on Bonds	(1,284,931)	
Net Unamortized Bond (Premiums) Paid or Discounts Withheld	(1,094,990)	
Deferred Amount on Refunding of Debt	377,331	
Compensated Absences Payable	<u>(361,638)</u>	
		<u>(87,974,228)</u>

Net Position of Governmental Activities		<u>\$ 88,188,517</u>
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The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Health Unit Fund	Jail Sales Tax Fund	Road Fund
Revenues				
Taxes				
Property Taxes	\$ 915,438	\$ 2,077,398	\$ -	\$ 2,264,007
Sales Taxes	-	-	3,581,629	10,744,890
Franchise Taxes	1,191,431	-	-	-
Licenses and Permits	2,062,669	35,730	-	-
Fines and Forfeitures	38,666	-	45,557	-
Fees and Commissions	1,719,336	-	-	153,966
Intergovernmental Revenues				
Federal Sources	3,479,990	-	-	267,205
State and Local Sources	1,631,520	61,675	-	364,973
Miscellaneous	107,817	60	3,435	127,010
Use of Money and Property	11,059	9,524	-	7,831
Total Revenues	11,157,926	2,184,387	3,630,621	13,929,882
Expenditures				
Current				
General Government	5,079,708	-	-	-
Public Safety	1,556,452	-	2,789,691	-
Public Works	54,709	-	-	6,167,372
Health and Welfare	244,108	1,037,665	-	-
Culture and Recreation	-	-	-	-
Economic Development	77,776	-	-	-
Total Current	7,012,753	1,037,665	2,789,691	6,167,372
Debt Service				
Principal	-	-	-	-
Interest and Fees	3,300	1,252	3,710	3,500
Total Debt Service	3,300	1,252	3,710	3,500
Capital Outlay				
General Government	11,239	-	-	-
Public Safety	77,127	-	12,430	-
Public Works	2,955,078	-	-	507,629
Health and Welfare	-	83,747	-	-
Total Capital Outlay	3,043,444	83,747	12,430	507,629
Total Expenditures	10,059,497	1,122,664	2,805,831	6,678,501
Excess (Deficiency) of Revenues Over Expenditures	1,098,429	1,061,723	824,790	7,251,381
Other Financing Sources (Uses)				
Transfers In	1,736,000	-	-	50,000
Transfers Out	(2,073,688)	(406,924)	(1,779,642)	(5,357,688)
Transfers from Component Units	-	-	-	-
Total Other Financing Sources (Uses)	(337,688)	(406,924)	(1,779,642)	(5,307,688)
Net Change in Fund Balances	760,741	654,799	(954,852)	1,943,693
Fund Balances (Deficits), Beginning of Year	8,065,753	5,198,394	(6,038,198)	4,516,014
Fund Balances (Deficits), End of Year	\$ 8,826,494	\$ 5,853,193	\$ (6,993,050)	\$ 6,459,707

The accompanying notes are an integral part of these financial statements.

Statement E

Courthouse Capital Project Fund	Road 06 Sinking Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 455,601	\$ 5,712,444
-	-	-	14,326,519
-	-	106,085	1,297,516
-	-	17,966	2,116,365
-	-	1,494,574	1,578,797
-	-	-	1,873,302
-	-	870,127	4,617,322
-	-	1,234,809	3,292,977
-	-	3,074	241,396
8,886	53	2,295	39,648
<u>8,886</u>	<u>53</u>	<u>4,184,531</u>	<u>35,096,286</u>
-	-	429,515	5,509,223
-	-	1,153,524	5,499,667
-	-	62,230	6,284,311
-	-	-	1,281,773
-	-	17,907	17,907
-	-	-	77,776
-	-	1,663,176	18,670,657
-	3,070,000	2,725,000	5,795,000
-	1,616,750	2,522,722	4,151,234
-	4,686,750	5,247,722	9,946,234
9,388,133	-	-	9,399,372
-	-	108,655	198,212
-	-	-	3,462,707
-	-	-	83,747
<u>9,388,133</u>	<u>-</u>	<u>108,655</u>	<u>13,144,038</u>
<u>9,388,133</u>	<u>4,686,750</u>	<u>7,019,553</u>	<u>41,760,929</u>
(9,379,247)	(4,686,697)	(2,835,022)	(6,664,643)
-	4,766,688	3,720,385	10,273,073
-	-	(1,205,131)	(10,823,073)
-	-	1,142,441	1,142,441
-	4,766,688	3,657,695	592,441
<u>(9,379,247)</u>	<u>79,991</u>	<u>822,673</u>	<u>(6,072,202)</u>
<u>15,422,008</u>	<u>3,261,273</u>	<u>6,485,032</u>	<u>36,910,276</u>
<u>\$ 6,042,761</u>	<u>\$ 3,341,264</u>	<u>\$ 7,307,705</u>	<u>\$ 30,838,074</u>

LIVINGSTON PARISH COUNCIL
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2013

Statement F

Net Change in Fund Balances - Total Governmental Funds \$ (6,072,202)

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 those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlay exceeded depreciation charged in the current period. 1,844,294

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position. (107,973)

Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds:

Property Tax Revenue	60,439
Louisiana Revenue Sharing	18,193

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Deferred Amount on Advanced Refunding of Debt	(53,725)
Principal Payments on Loans and Notes	5,795,000
Amortization of Bond Insurance Premiums	(46,140)
Amortization of Bond Premiums and Discounts (Net)	106,595

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Prepaid Items	183,047
Change in Compensated Absences Payable	(74,603)
Change in Accrued Interest Expense	79,990

Change in Net Position of Governmental Activities \$ 1,732,915

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and
Actual - General Fund
For the Year Ended December 31, 2013

Statement G-1

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes				
Property Taxes	\$ 940,000	\$ 940,000	\$ 915,438	\$ (24,562)
Franchise Taxes	1,100,000	1,192,568	1,191,431	(1,137)
Licenses and Permits	2,100,000	1,885,439	2,062,669	177,230
Fines and Forfeitures	31,780	34,597	38,666	4,069
Fees and Commissions	1,637,000	1,652,176	1,719,336	67,160
Intergovernmental Revenues				
Federal Sources	279,000	1,312,860	3,479,990	2,167,130
State and Local Sources	1,891,450	1,391,445	1,631,520	240,075
Miscellaneous	125,000	108,249	107,817	(432)
Use of Money and Property	6,200	9,786	11,059	1,273
Total Revenues	8,110,430	8,527,120	11,157,926	2,630,806
Expenditures				
Current Expenditures				
General Government	3,782,359	6,616,932	5,079,708	1,537,224
Public Safety	1,266,445	1,564,091	1,556,452	7,639
Public Works	47,285	61,566	54,709	6,857
Health and Welfare	166,200	230,697	244,108	(13,411)
Culture and Recreation	1,500	-	-	-
Economic Development	130,150	107,371	77,776	29,595
Total Current Expenditures	5,393,939	8,580,657	7,012,753	1,567,904
Debt Service				
Interest and Fees	100	-	3,300	(3,300)
Total Debt Service	100	-	3,300	(3,300)
Capital Outlay				
General Government	-	562,910	11,239	551,671
Public Safety	-	-	77,127	(77,127)
Public Works	-	-	2,955,078	(2,955,078)
Total Capital Outlay	-	562,910	3,043,444	(2,480,534)
Total Expenditures	5,394,039	9,143,567	10,059,497	(915,930)
Excess (Deficiency) of Revenues Over Expenditures	2,716,391	(616,447)	1,098,429	1,714,876
Other Financing Sources (Uses)				
Governmental Transfers In	1,687,421	1,736,000	1,736,000	-
Governmental Transfers Out	(2,054,232)	(2,023,689)	(2,073,688)	(49,999)
Total Other Financing Sources (Uses)	(366,811)	(287,689)	(337,688)	(49,999)
Net Change in Fund Balance	\$ 2,349,580	\$ (904,136)	760,741	\$ 1,664,877
Fund Balance, Beginning of Year			8,065,753	
Fund Balance, End of Year			\$ 8,826,494	

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and
Actual - Health Unit Special Revenue Fund
For the Year Ended December 31, 2013

Statement G-2

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes				
Property Taxes	\$ 1,850,000	\$ 1,850,000	\$ 2,077,398	\$ 227,398
Licenses and Permits	35,000	35,000	35,730	730
Intergovernmental Revenues				
State and Local Sources	50,000	50,000	61,675	11,675
Miscellaneous	-	-	60	60
Use of Money and Property	12,000	12,000	9,524	(2,476)
Total Revenues	1,947,000	1,947,000	2,184,387	237,387
Expenditures				
Current Expenditures				
Health and Welfare	892,723	1,046,443	1,037,665	8,778
Total Current Expenditures	892,723	1,046,443	1,037,665	8,778
Debt Service				
Interest and Fees	-	1,500	1,252	248
Total Debt Service	-	1,500	1,252	248
Capital Outlay				
Health and Welfare	-	70,470	83,747	(13,277)
Total Capital Outlay	-	70,470	83,747	(13,277)
Total Expenditures	892,723	1,118,413	1,122,664	(4,251)
Excess of Revenues Over Expenditures	1,054,277	828,587	1,061,723	233,136
Other Financing Uses				
Governmental Transfers Out	(675,950)	(406,950)	(406,924)	26
Total Other Financing Uses	(675,950)	(406,950)	(406,924)	26
Net Change in Fund Balance	\$ 378,327	\$ 421,637	654,799	\$ 233,162
Fund Balance, Beginning of Year			5,198,394	
Fund Balance, End of Year			\$ 5,853,193	

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and
Actual - Jail Sales Tax Special Revenue Fund
For the Year Ended December 31, 2013

Statement G-3

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes				
Sales Taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,581,629	\$ (18,371)
Fees and Commissions	35,000	35,000	45,557	10,557
Intergovernmental Revenues				
Federal Sources	-	-	-	-
Miscellaneous	5,000	2,550	3,435	885
Total Revenues	3,640,000	3,637,550	3,630,621	(6,929)
Expenditures				
Current Expenditures				
Public Safety	2,040,418	2,640,300	2,789,691	(149,391)
Total Current Expenditures	2,040,418	2,640,300	2,789,691	(149,391)
Debt Service				
Interest and Fees	-	3,710	3,710	-
Total Debt Service	-	3,710	3,710	-
Capital Outlay				
Public Safety	-	-	12,430	(12,430)
Total Capital Outlay	-	-	12,430	(12,430)
Total Expenditures	2,040,418	2,644,010	2,805,831	(161,821)
Excess of Revenues Over Expenditures	1,599,582	993,540	824,790	(168,750)
Other Financing Uses				
Governmental Transfers Out	(1,752,188)	(1,884,400)	(1,779,642)	104,758
Total Other Financing Uses	(1,752,188)	(1,884,400)	(1,779,642)	104,758
Net Change in Fund Balance	\$ (152,606)	\$ (890,860)	(954,852)	\$ (63,992)
Fund Balance (Deficit), Beginning of Year			(6,038,198)	
Fund Balance (Deficit), End of Year			\$ (6,993,050)	

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and
Actual - Road Special Revenue Fund
For the Year Ended December 31, 2013

Statement G-4

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes				
Property Taxes	\$ 1,850,000	\$ 1,850,000	\$ 2,264,007	\$ 414,007
Sales Taxes	10,400,000	10,400,000	10,744,890	344,890
Fees and Commissions	10,000	126,965	153,966	27,001
Intergovernmental Revenues				
Federal Sources	-	300,000	267,205	(32,795)
State and Local Sources	201,800	595,097	364,973	(230,124)
Miscellaneous	1,900	12,304	127,010	114,706
Use of Money and Property	5,000	10,139	7,831	(2,308)
Total Revenues	12,468,700	13,294,505	13,929,882	635,377
Expenditures				
Current Expenditures				
Public Works	4,024,225	7,507,223	6,167,372	1,339,851
Total Current Expenditures	4,024,225	7,507,223	6,167,372	1,339,851
Debt Service				
Interest and Fees	-	3,500	3,500	-
Total Debt Service	-	3,500	3,500	-
Capital Outlay				
Public Works	-	500,000	507,629	(7,629)
Total Capital Outlay	-	500,000	507,629	(7,629)
Total Expenditures	4,024,225	8,010,723	6,678,501	1,332,222
Excess of Revenues Over Expenditures	8,444,475	5,283,782	7,251,381	1,967,599
Other Financing Sources (Uses)				
Governmental Transfers In	50,000	50,000	50,000	-
Governmental Transfers Out	(5,028,250)	(5,355,750)	(5,357,688)	(1,938)
Total Other Financing Sources (Uses)	(4,978,250)	(5,305,750)	(5,307,688)	(1,938)
Net Change in Fund Balance	\$ 3,466,225	\$ (21,968)	1,943,693	\$ 1,965,661
Fund Balance, Beginning of Year			4,516,014	
Fund Balance, End of Year			\$ 6,459,707	

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Net Position
Proprietary Fund
December 31, 2013

Statement H

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 325,932
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$808,993)	125,158
Due from Other Funds	<u>517,617</u>
Total Current Assets	<u>968,707</u>
Non-Current Assets	
Restricted Assets	
Bond Covenant Cash Accounts	<u>78,945</u>
Capital Assets	
Land	13,243
Construction in Progress	177,483
Sewer and Water System	<u>9,945,658</u>
Total Capital Assets	10,136,384
Less Accumulated Depreciation	<u>(1,838,904)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>8,297,480</u>
Other Assets	
Deposits	<u>670</u>
Total Non-Current Assets	<u>8,377,095</u>
Total Assets	<u>9,345,802</u>
Liabilities	
Current Liabilities	
Accounts Payable	81,634
Accrued Expenses Payable	65,096
Accrued Interest Payable	2,881
Due to Other Funds	740,000
Customer Deposits	2,965
Current Portion of Debt	<u>84,949</u>
Total Current Liabilities	<u>977,525</u>
Non-Current Liabilities	
Debt Payable after One Year	2,492,565
Accumulated Unpaid Vacation	<u>501</u>
Total Non-Current Liabilities	<u>2,493,066</u>
Total Liabilities	<u>3,470,591</u>
Net Position	
Net Investment in Capital Assets	5,719,966
Unrestricted	<u>155,245</u>
Total Net Position	<u>\$ 5,875,211</u>

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2013

Statement I

Operating Revenues	
Charges for Service	\$ 199,819
Miscellaneous Charges	44
	<hr/>
Total Operating Revenues	199,863
	<hr/>
Operating Expenses	
Personal Services	62,463
Employee Benefits	38,194
Bad Debt Expense	56,993
Cost of Materials	8,141
Depreciation	280,146
Office Expenses	1,611
Professional Services	10,411
Repairs and Maintenance	131,555
Utilities and Telephone	52,152
	<hr/>
Total Operating Expenses	641,666
	<hr/>
Operating Loss	(441,803)
	<hr/>
Non-Operating Revenues (Expenses)	
Interest Income	118
Federal Grants	550,188
State and Local Grants	10,960
Interest on Long-Term Debt	(103,341)
	<hr/>
Total Non-Operating Revenues (Expenses)	457,925
	<hr/>
Income Before Transfers	16,122
	<hr/>
Transfers In	550,000
	<hr/>
Change in Net Position	566,122
	<hr/>
Net Position, Beginning of Year	5,309,089
	<hr/>
Net Position, End of Year	\$ 5,875,211
	<hr/>

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2013

Statement J

Cash Flows from Operating Activities	
Cash Received from Customers	\$ 162,358
Payments to Suppliers	(179,419)
Payments to Employees and for Benefits	<u>(105,302)</u>
Net Cash Used in Operating Activities	<u>(122,363)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Transfers from Other Funds	550,000
Interfund Borrowings	200,000
Net Decrease in Customer Deposits	<u>(10,817)</u>
Net Cash Provided by Non-Capital and Related Financing Activities	<u>739,183</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(533,217)
Capital Grants	458,307
Interest Paid on Long-Term Debt	(104,250)
Principal Paid on Long-Term Debt	<u>(161,689)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(340,849)</u>
Cash Flows from Investing Activities	
Interest Received	<u>118</u>
Net Cash Provided by Investing Activities	<u>118</u>
Net Increase in Cash and Cash Equivalents	276,089
Cash and Cash Equivalents, Beginning of Year	<u>128,788</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 404,877</u></u>

The accompanying notes are an integral part of these financial statements.

LIVINGSTON PARISH COUNCIL
Statement of Cash Flows (Continued)
Proprietary Fund
For the Year Ended December 31, 2013

Statement J

Reconciliation of Operating Loss to Net Cash	
Used in Operating Activities	
Operating Loss	\$ (441,803)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities	
Depreciation	280,146
Provision for Bad Debts	56,993
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(37,505)
Decrease in Accounts Payable	24,451
Increase in Accrued Expenses	<u>(4,645)</u>
Net Cash Used in Operating Activities	<u>\$ (122,363)</u>
Reconciliation of Cash at Year End to the	
Statement of Net Position	
Cash and Cash Equivalents	\$ 325,932
Bond Covenant Accounts	<u>78,945</u>
Cash and Cash Equivalents, End of Year	<u>\$ 404,877</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Introduction

The Livingston Parish Council (the Council) is the governing authority for Livingston Parish, Louisiana, and is a political subdivision of the State of Louisiana. The year 1996 was the first year that the Parish Council operated as a President/Council form of government which operates under a home rule charter. Prior to 1996, the Parish operated under the police jury system of government. The Livingston Parish Home Rule Charter operates with an elected Parish President, who is the chief executive officer of the parish and the head of the executive branch of Parish government, and an elected nine member council, which is the legislative branch of the government. The Council enacts ordinances, sets policies, and establishes programs for social welfare, transportation, drainage, industrial inducement, and health services.

The area of Livingston Parish is approximately 702 square miles and the Council maintains 724 miles of roads. The estimated population of Livingston Parish is 128,549 based on the 2010 census and the Council employs approximately 230 persons, as of December 31, 2013.

Louisiana Revised Statute 33:1236 gives the President and Council various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government, to regulate the construction and maintenance of roads, bridges, and drainage, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish.

Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various state and federal grants.

In accomplishing its objectives, the Council also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, library services, drainage maintenance and regulation, economic development, and utility services such as water and natural gas distribution and sewerage processing.

Note 1. Summary of Significant Accounting Policies

Reporting Entity

As the governing authority of Livingston Parish for reporting purposes, the Livingston Parish Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of [a] the primary government (President and Council), [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.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 61, the Livingston Parish Council includes all funds, account groups, etc., that are within the oversight responsibility of the Council.

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. Legal status of the potential component unit, and
2. Financial accountability, and
 - a. The primary government appoints a voting majority of the potential component unit's governing body and the primary government is able to impose its will on the potential component unit (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the primary government and the potential component unit, and
4. Misleading to exclude which covers other potential component units 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.

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

Component Unit	Fiscal Year End	Criteria Used
Fire Protection Districts:		
No. 1	12/31	1 and 3
No. 2	6/30	1 and 3
No. 3	12/31	1 and 3
No. 4	12/31	1 and 3
No. 5	12/31	1 and 3
No. 6	6/30	1 and 3
No. 7	12/31	1 and 3
No. 8	6/30	1 and 3
No. 9	6/30	1 and 3
No. 10	12/31	1 and 3
No. 11	6/30	1 and 3
No. 12	6/30	1 and 3

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Component Unit	Fiscal Year End	Criteria Used
Recreation Districts:		
No. 2	12/31	1 and 3
No. 3	12/31	1 and 3
No. 4	12/31	1 and 3
No. 5	12/31	1 and 3
No. 6	12/31	1 and 3
No. 7	12/31	1 and 3
No. 8	12/31	1 and 3
No. 9	12/31	1 and 3
Livingston Parish Gas Utility District	11/30	1 and 3
Sewerage Districts:		
No. 1	12/31	1 and 3
No. 2	12/31	1 and 3
Waterworks Districts:		
Ward 2	12/31	1 and 3
Ward 6	12/31	1 and 3
Gravity Drainage Districts:		
No. 1	12/31	1 and 3
No. 2	12/31	1 and 3
No. 5	12/31	1 and 3
Communication District	12/31	1 and 3
Livingston Parish Library Commission	12/31	1 and 3
Community Development Districts:		
Carter Plantation	12/31	1 and 3
Carter Plantation Marina	8/31	1 and 3
Greystone	12/31	1 and 3
Isabella	12/31	1 and 3
Juban Park	12/31	1 and 3
Whispering Springs	12/31	1 and 3
Livingston Parish Clerk of Court	6/30	2 and 3
Livingston Parish Assessor	12/31	2 and 3

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

The Council has chosen to issue financial statements of the primary government only; therefore, only the funds, account groups, and organizations for which the Council maintains the accounting records are included.

GASB Statement 61 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (the Council) 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 accounting principles generally accepted in the United States of America 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 of the Council.

It was determined that the following governmental entities are not component units of the Livingston Parish Council reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent:

Livingston Parish Sheriff
Livingston Parish School Board
District Attorney of the Twenty First Judicial District
Various municipalities within Livingston Parish

Basis of Presentation

The Council's basic financial statements include both government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major fund and combined non-major funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Council follows the guidance included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements*, for its business-type activity financial reporting. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The financial statements also contain a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements are prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. The effect of interfund activity has been removed from these statements with the exception of transfers between the Utility Enterprise Fund and governmental funds.

Statement of Net Position - In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The Council generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The columns presented in the statement of net position and general descriptions of each are as follows:

- *Governmental Activities* represent programs which normally are supported by taxes and intergovernmental revenues.
- *Business-Type Activities* are financed in whole or in part by fees charged to external parties for goods and services.

Statement of Activities - The government-wide statement of activities reflects both the gross and net cost per functional category (general government, public safety, public works, health and welfare, culture and recreation, and economic development), which are otherwise being supported by general government revenues (property, sales and use taxes, fines, permits and charges, etc.). The statement of activities reduces gross expenses by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (general government, public safety, public works, health and welfare, culture and recreation, and economic development) or a business-type activity and 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. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Council does not allocate indirect expenses.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Fund financial statements of the primary government are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis of fund financial reporting is on the major fund level in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements. An emphasis is placed on major funds within the governmental and proprietary categories. The various funds of the primary government are grouped into generic fund types and three broad fund categories as follows:

Governmental Activities presented as Governmental Funds in the Fund Financial Statements:

General Fund - The General Fund is the primary operating fund of the Parish Council and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The three special revenue funds reported as major funds in the fund financial statements are as follows:

- Health Unit Fund - This fund accounts for state and parish health programs. The major means of financing are provided by ad valorem taxes, state revenue sharing, and permits.
- Jail Sales Tax Fund - This fund accounts for the maintenance and operation of the jail, and transfers to the Jail Debt Service Sinking Fund for the payment on the debt service of the jail bonds and is funded through sales taxes.
- Road Fund - This fund accounts for maintenance of parish-wide roads and streets. Major means of financing are provided by the State of Louisiana Parish Transportation Fund, sales taxes, ad valorem taxes, and state revenue sharing.

Capital Projects Funds - Capital projects funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The capital project fund reported as a major fund in the fund financial statements is as follows:

- Courthouse Capital Outlay Fund - This fund is used to account for the proceeds of the Courthouse Project Series 2011 Revenue Bonds that are dedicated for constructing, equipping, and furnishing a building to serve as the Livingston Parish Courthouse.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Governmental Activities presented as Governmental Funds in the Fund Financial Statements (Continued):

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Following is the debt service fund that is reported by the Council as a major fund in the fund financial statements:

- Road 06 Sinking Fund - This fund accounts for the principal, interest, and related charges for the Road Bonds Series 2006, the transfers from the Road Fund, and the accumulated restricted cash for the repayment of the bonds.

Proprietary Fund:

Enterprise Fund - The enterprise fund is used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The enterprise fund is presented in the business-type activities column in the government-wide financial statements and the major funds section of the basic financial statements. The enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The following enterprise fund is reported as a major fund in the fund financial statements:

- The Utility Enterprise Fund - This fund accounts for the activities of the parish-wide water and sewer systems that are provided to residents that live in areas where these services are not already provided by another entity.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fiduciary Fund:

Agency Fund - The agency fund accounts for assets held by the Parish Council on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operation. The agency fund is as follows:

- Sales Tax District Six - This fund accounts for the collection and distribution of a one-half percent sales and use tax levied by Sales Tax District Number Six for Gravity Drainage District Number Two. Since all collections received during the year were disbursed, the fiduciary fund does not have any assets or liabilities to report as of December 31, 2013.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting which is also the method used to prepare the budget. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses).

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The Council's definition of available means expected to be received within sixty days of the end of the fiscal year.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Nonexchange transactions, in which the Council receives value without directly giving value in return, include sales tax, property tax, grants, and donations. Property taxes are recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

The proprietary fund is accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Council's Utility Fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile funds based on financial statements with the governmental column of the government-wide presentation.

Note 1. Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

The Finance Department compiles for the President estimates of revenues and requests for appropriations of the annual budget. No later than November 5th, the President's budget is submitted to the Council for possible revision and adoption. The Council conducts public hearings on the budget, which must be adopted by December 15th, to become effective January 1st. In no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year.

Budgets for the capital projects fund do not necessarily follow the time schedule for other funds, since capital projects may be started and completed at any time during the year. However, the capital project budget must be submitted to the Council for adequate public hearing and adoption on a project-length basis.

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. All annual appropriations lapse at fiscal year-end. The General Fund and the major special revenue funds' (Health Unit Fund, Jail Sales Tax Fund, and Road Fund) annual budgets are presented in the basic financial statements.

Formal budgetary integration is used for management control in the accounting records during the year for the governmental fund types. The capital projects fund project appropriations are initiated by project budgets rather than annual budgets, and accountability is controlled on the project-life basis.

Assets, Liabilities, and Net Position or Equity

Cash and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Council may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Council may invest in United States bonds, treasury notes, treasury certificates, or the State Treasurer's Investment Pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair market value.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles for trade receivables is based on agings and charge-off percentages. Property taxes are levied in September or October each year on property values assessed as of the same date. Billed taxes become delinquent on January 1st of the following year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

In the government-wide statements, receivables include trade receivables and due from other governments and consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, property taxes, franchise taxes, grants, fines, and grant reimbursements. Business-type activities report charges for services and penalties billed for utilities services and not collected at year end and due from other governments as the major receivables.

In the fund financial statements, receivables are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Receivables recorded in the proprietary fund are equal to the receivable balances recorded in the government-wide statements as the same criteria are used to recognize the receivable.

Inventories and Prepaid Items

Inventories for supplies of the Road Fund are valued at cost using the first-in, first-out method. Costs of materials are recorded as expenditures in the Road Fund when consumed rather than when purchased. Other funds' supplies on hand at year end are not significant and are recorded as expenditures/expenses when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. Payments representing deposits are recorded as prepaid items in both the government-wide financial and fund statements.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Restricted Assets

Certain proceeds of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet in both the governmental and enterprise funds because their use is limited by applicable bond covenants or for capital outlay projects. All restricted assets are held in cash. It is the policy of the Livingston Parish Council to expend the restricted assets first when both unrestricted and restricted assets are available.

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 or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if actual cost is unavailable. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

Infrastructure assets acquired prior to 2003 were not capitalized and have been valued at estimated historical cost. All infrastructure assets purchased or constructed by the primary government are depreciated accordingly. Certain improvements, including roads, bridges, and curbs and gutters acquired from subdivision developers, have been capitalized. Depreciation on all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position.

Fixed assets are included on the statement of net position, net of accumulated depreciation. Depreciation is computed using the straight-line method over the following useful lives:

Asset	Estimated Useful Lives
Buildings	5 - 40 Years
Improvements Other than Buildings	20 - 40 Years
Machinery and Equipment	3 - 10 Years
Computer Equipment	5 Years
Vehicles	6 Years
Infrastructure	20 - 40 Years

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations

In the government-wide statement of net position and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Employees of the Council earn annual leave at varying rates according to years of service. Employees that are terminated or resign will not be paid for accumulated sick leave. In accordance with GASB 16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

As of December 31, 2013, the accrued liability for unpaid vacation benefits amounted to \$362,139. The amount applicable to the business-type activities was \$501, and is recorded in the Utility Enterprise Fund, and the amount of \$361,638 applicable to the governmental activities is reflected on the statement of net position. In addition, applicable percentages of retirement contribution, social security, and medicare have been added to the above accrued leave.

Fund Equity

Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

1. *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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

2. *Restricted* - Consists of net position with constraints placed on its use either by:
 - a. External groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or
 - b. Law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Governmental fund equity is classified as fund balance. The Council implemented the provisions of GASB Statement No. 54, which redefined how fund balances are presented in fund financial statements, effective January 1, 2011. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action by Parish Council ordinance or resolution. These amounts cannot be used for any other purpose unless the Parish Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

Assigned - Amounts the Council intends to use for a specific purpose; intent can be expressed by the Parish Council or by an official or body to which the Parish Council delegates the authority.

Unassigned - All amounts not included in other spendable classifications; positive amounts are only in the General Fund. The Council has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

The details of the fund balances are included in the balance sheet - governmental funds (Statement C). The Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. As noted above, restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Council or the assignment has been changed by the Council. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned becomes zero, then assigned and committed fund balances are used in that order.

Proprietary fund equity is classified the same as in the government-wide statements.

Accounting Estimates

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

Note 2. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Council may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Council may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 2. Cash and Cash Equivalents (Continued)

The Council maintains a consolidated cash account that is available for use by all funds. In addition, the Council maintains other accounts that are required by bond covenants or by grant requirements. All cash maintained in the various bond covenant accounts are reported as restricted cash. In addition, an allocation is made from the consolidated cash account to report a portion as restricted to comply with bond covenant requirements that do not require a separate bank account. Under state law, demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with a bank must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held by and in the name of the fiscal agent bank, but pledged to the Council. Under state law, deposits held in a separate bank trust account are not required to have pledged securities in the name of the Council; however, the bank must deposit with an unaffiliated bank pledged securities to cover the deposits held in trust.

The following is a summary of cash and cash equivalent carrying values and bank balances at December 31, 2013:

	Governmental Activities	Business-Type Activities	Total
Balance per Balance Sheet			
<u>Unrestricted</u>			
Cash in Bank Accounts	\$ 5,507,930	\$ 325,882	\$ 5,833,812
Petty Cash	1,600	50	1,650
	5,509,530	325,932	5,835,462
	6,871,428	78,945	6,950,373
<u>Restricted</u>			
Total	\$ 12,380,958	\$ 404,877	\$ 12,785,835
Bank Balances			
Unrestricted	\$ 5,666,290	\$ 325,882	\$ 5,992,172
Restricted	6,871,428	78,945	6,950,373
Total	\$ 12,537,718	\$ 404,827	\$ 12,942,545

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be recovered. As of December 31, 2013, \$5,254,399 of the Council's bank balance of \$12,942,545 was exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Council's name. The remainder of the Council's bank balance was either insured by the Federal Deposit Insurance Corporation or it was held in a bank trust department where state law requires the bank trust department to deposit securities with an unaffiliated bank that is equal to the amount held in trust.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 3. Investments

Investments held at December 31, 2013, consisted of \$12,037,340 in the Louisiana Asset Management Pool (LAMP), a local government investment pool which is reported in the governmental activities column of the statement of net position. \$8,630,079 of these investments is restricted for construction on the balance sheet. LAMP is administered by Louisiana Asset Management Pool, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with L.R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit Risk: LAMP is rated AAAM by Standard & Poor's.

Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest Rate Risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of GASB 40.

Foreign Currency Risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulator oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 4. Receivables

Receivables as of December 31, 2013, for the government's individual major funds and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts, were as follows:

	Franchise Taxes	Royalties	Accounts	Less Allowance for Uncollectible	Total Net Receivable
Governmental Activities:					
General Fund	\$ 304,345	\$ 172,632	\$ 12,512	\$ -	\$ 489,489
Health Unit Fund	-	-	40	-	40
Road Fund	-	-	-	-	-
Jail Sales Tax Fund	-	-	1,222	-	1,222
Non-Major Funds	27,093	-	394,427	-	421,520
Total Governmental Activities	331,438	172,632	408,201	-	912,271
Business-Type Activities:					
Utility Enterprise Fund	-	-	828,350	(808,993)	19,357
Total Receivables	\$ 331,438	\$ 172,632	\$ 1,236,551	\$ (808,993)	\$ 931,628

Note 5. Due from Other Governments

Due from other governments by governmental agency by individual major fund and non-major funds in the aggregate are as follows:

	Federal	State	School Board	Sheriff	Other	Total
Governmental Activities:						
General Fund	\$ 833,776	\$ 510,493	\$ -	\$ 887,989	\$ 4,366	\$ 2,236,624
Health Unit Fund	-	-	-	1,953,706	-	1,953,706
Road Fund	1,220,469	44,049	1,819,782	2,191,775	485	5,276,560
Jail Sales Tax Fund	-	-	606,594	4,093	-	610,687
Non-Major Funds	596,345	275,865	-	1,234,492	135,996	2,242,698
Adjustment to Full Accrual Basis of Accounting	-	-	-	731,586	-	731,586
Total Governmental Activities	2,650,590	830,407	2,426,376	7,003,641	140,847	13,051,861
Business-Type Activities:						
Utility Enterprise Fund	105,801	-	-	-	-	105,801
Total Receivables	\$ 2,756,391	\$ 830,407	\$ 2,426,376	\$ 7,003,641	\$ 140,847	\$ 13,157,662

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 5. Due from Other Governments (Continued)

The following schedule provides additional details of the balance due from the Livingston Parish Sheriff's Office:

	Ad Valorem Taxes	Revenue Sharing	Occupational and Alcohol Licenses	Fines and Forfeitures	Other	Total
Governmental Activities:						
General Fund	\$ 852,870	\$ 33,785	\$ 675	\$ -	\$ 659	\$ 887,989
Health Unit Fund	1,933,147	20,559	-	-	-	1,953,706
Road Fund	2,119,663	72,112	-	-	-	2,191,775
Jail Sales Tax Fund	-	-	-	-	4,093	4,093
Non-Major Funds	1,220,484	-	-	14,008	-	1,234,492
Adjustment to Full Accrual Basis of Accounting	460,482	271,104	-	-	-	731,586
Total Governmental Activities	\$ 6,586,646	\$ 397,560	\$ 675	\$ 14,008	\$ 4,752	\$ 7,003,641

Note 6. Ad Valorem Taxes

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Livingston Parish, as provided by State law, is the official tax collector of general ad valorem taxes levied by the Parish Council. All taxes are due by December 31st of the year-end and are delinquent on January 1st of the next year, which is also the lien date. If the taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 6. Ad Valorem Taxes (Continued)

Ad valorem taxes are considered measurable each year following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission. Accordingly, the entire tax roll, less an estimate for uncollectible taxes, is recorded as taxes receivable in the government-wide financial statements. Uncollectible taxes are those taxes which, based on past experience, will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. At the governmental fund level, ad valorem taxes are recorded when measurable and available where only amounts received within the current year or within 60 days thereafter are recognized as revenue.

The following is a summary of maximum and levied ad valorem taxes and the expiration dates for each:

Fund	Expiration Date	Assessed Millage	Taxable Assessed Valuations	Taxes Assessed for	
				General Purpose	Other Purposes
Governmental Activities					
Parish Tax	Statutory	2.320	\$ 337,324,730	\$ 782,593	\$ -
Within Municipalities	Statutory	1.160	123,323,980	143,056	-
Health Unit Fund	12/31/2014	4.560	460,648,710	-	2,100,558
Road Fund	12/31/2022	5.000	460,648,710	-	2,303,243
Library Debt Service					
Sinking Fund	12/31/2023	1.000	460,648,710	-	460,649
Total				<u>\$ 925,649</u>	<u>\$ 4,864,450</u>

Note 7. Deferred Outflows of Resources

In 2012, the Council implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements provide guidance on reporting the difference between the reacquisition price and the net carrying amount of the old debt for current and advance refunding resulting in defeasance of debt. The difference is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt. At December 31, 2013, the Council had a deferred amount on refunding of debt of \$377,331, which resulted from the advance refunding of the Library General Obligation Bonds, Series 2004.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 8. Interfund Receivables and Payables

The following schedule is a summary of due from/(to) other funds including long term-advances reported in the fund financial statements and net internal balances as reported on the statement of net position:

	Due from Other Funds	Due to Other Funds	Net Internal Balances
Governmental Activities:			
Governmental Funds			
Balance Sheet			
General Fund	\$ 7,658,178	\$ (991,277)	\$ 6,666,901
Health Unit Fund	300,000	(227,549)	72,451
Road Fund	1,388,509	(1,303,434)	85,075
Jail Sales Tax Fund	-	(6,356,550)	(6,356,550)
Non-Major Funds	153,329	(398,823)	(245,494)
	<u>9,500,016</u>	<u>(9,277,633)</u>	<u>222,383</u>
Business-Type Activities:			
Utility Enterprise Fund			
Statement of Net Position	517,617	(740,000)	(222,383)
	<u>517,617</u>	<u>(740,000)</u>	<u>(222,383)</u>
Total	\$ 10,017,633	\$ (10,017,633)	\$ -

Note 9. Payables

The payables, as reported on the statement of net position at December 31, 2013, include the following:

	Governmental Activities	Business-Type Activities	Total
Accounts Payable	\$ 5,053,876	\$ 140,701	\$ 5,194,577
Accrued Wages	158,943	1,649	160,592
Accrued Expenses and Withholdings	324,849	4,380	329,229
Customer Deposits	-	2,965	2,965
	<u>5,537,668</u>	<u>149,695</u>	<u>5,687,363</u>
Total	\$ 5,537,668	\$ 149,695	\$ 5,687,363

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 10. Capital Assets

The following is a summary of the changes in capital assets for the year ended December 31, 2013:

Governmental Activities	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Capital Assets Not Being Depreciated				
Land	\$ 5,844,429	\$ -	\$ -	\$ 5,844,429
Construction in Progress	7,416,561	12,652,731	(4,958,195)	15,111,097
Total Capital Assets Not Being Depreciated	13,260,990	12,652,731	(4,958,195)	20,955,526
Capital Assets Being Depreciated				
Buildings	53,096,695	1,717,022	-	54,813,717
Recreational Facilities	3,758,232	-	-	3,758,232
Machinery and Equipment	6,290,267	477,952	(529,226)	6,238,993
Sewer System	2,126,234	-	-	2,126,234
Infrastructure	143,108,015	3,254,528	-	146,362,543
Furniture and Fixtures	250,660	-	-	250,660
Total Capital Assets Being Depreciated	208,630,103	5,449,502	(529,226)	213,550,379
Less Accumulated Depreciation for:				
Buildings	(7,991,608)	(1,392,161)	-	(9,383,769)
Recreational Facilities	(164,423)	(141,749)	-	(306,172)
Machinery and Equipment	(4,559,562)	(561,739)	421,253	(4,700,048)
Sewer System	(99,937)	(9,081,199)	-	(9,181,136)
Infrastructure	(66,964,782)	(28,940)	-	(66,993,722)
Furniture and Fixtures	(174,574)	(93,956)	-	(268,530)
Total Accumulated Depreciation	(79,954,886)	(11,299,744)	421,253	(90,833,377)
Total Capital Assets Being Depreciated, Net	128,675,217	(5,850,242)	(107,973)	122,717,002
Capital Assets, Net	\$ 141,936,207	\$ 6,802,489	\$ (5,066,168)	\$ 143,672,528
	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 13,243	\$ -	\$ -	\$ 13,243
Construction in Progress	223,862	629,643	(676,022)	177,483
Total Capital Assets Not Being Depreciated	237,105	629,643	(676,022)	190,726
Capital Assets Being Depreciated				
Utility System	9,261,411	684,247	-	9,945,658
Total Capital Assets Being Depreciated	9,261,411	684,247	-	9,945,658
Less Accumulated Depreciation for:				
Utility System	(1,558,758)	(280,146)	-	(1,838,904)
Total Accumulated Depreciation	(1,558,758)	(280,146)	-	(1,838,904)
Total Capital Assets Being Depreciated, Net	7,702,653	404,101	-	8,106,754
Capital Assets, Net	\$ 7,939,758	\$ 1,033,744	\$ (676,022)	\$ 8,297,480

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 10. Capital Assets (Continued)

Property, plant, and equipment are stated at cost, less an allowance for accumulated depreciation. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation expense is computed using the straight line method over the estimated useful lives of the assets as described in Note 1, Summary of Significant Accounting Policies.

Depreciation was charged to governmental functions as follows:

General Government	\$ 215,535
Public Safety	636,045
Public Works	9,496,810
Health and Welfare	321,537
Culture and Recreation	<u>629,997</u>
Total	<u>\$ 11,299,924</u>

Note 11. Long-Term Debt

The following is a summary of debt transactions of the Council for the year ended December 31, 2013:

	Debt Payable January 1, 2013	Additions	Deletions	Debt Payable December 31, 2013	Due Within 1 Year
Governmental Activities:					
Compensated Absences	\$ 287,035	\$ 74,603	\$ -	\$ 361,638	\$ 90,408
Library General Obligation Bonds, Series 2004	830,000	-	(405,000)	425,000	425,000
Library General Obligation Refunding Bonds, Series 2012	6,180,000	-	(100,000)	6,080,000	70,000
Health Unit Refunding Bonds, Series 2011	940,000	-	(305,000)	635,000	315,000
Road Project Revenue Bonds, Series 2006	33,870,000	-	(3,070,000)	30,800,000	3,225,000
Jail Project Revenue Bonds, Series 2006	12,755,000	-	(1,200,000)	11,555,000	1,245,000
Live Oak Sports Complex Project Revenue Bonds, Series 2008	4,145,000	-	(85,000)	4,060,000	85,000
North Park Project Revenue Bonds, Series 2008	8,205,000	-	(125,000)	8,080,000	135,000
Office of Motor Vehicles Project Revenue Bonds, Series 2009	4,550,000	-	(100,000)	4,450,000	105,000
Sewer District No. 2 Project Revenue Bonds, Series 2009	2,410,000	-	(50,000)	2,360,000	50,000
Livingston Parish Courthouse Project Revenue Bonds, Series 2011	17,520,000	-	(355,000)	17,165,000	360,000
Unamortized Premium on Debt	1,500,619	-	(123,811)	1,376,808	129,192
Unamortized Discount on Debt	(299,034)	-	17,216	(281,818)	(17,849)
Total Governmental Activities	<u>92,893,620</u>	<u>74,603</u>	<u>(5,901,595)</u>	<u>87,066,628</u>	<u>6,216,751</u>

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

	Debt Payable January 1, 2013	Additions	Deletions	Debt Payable December 31, 2013	Due Within 1 Year
Business-Type Activities:					
Compensated Absences	501	-	-	501	-
Bruce's Harbor Project Certificates of Indebtedness, Series 2006	210,000	-	(110,000)	100,000	30,000
Water Revenue Bonds, Series 2007	2,242,003	-	(40,689)	2,201,314	42,449
Community Development Water System Loan	287,200	-	(11,000)	276,200	12,500
Total Business-Type Activities	2,739,704	-	(161,689)	2,578,015	84,949
Total Debt	\$ 95,633,324	\$ 74,603	\$ (6,063,284)	\$ 89,644,643	\$ 6,301,700

Governmental Activity Debt

Library General Obligation Bonds, Series 2004

Library General Obligation Bonds, Series 2004 - \$8,900,000, dated March 1, 2004, due in original annual installments of principal and semi-annual installments of interest through March 1, 2024; variable interest rate ranging from 3.00% to 6.35%. On May 10, 2012, the callable bonds maturing from 2015 through 2024 were refunded with the issuance of the Library General Obligation Refunding Bonds, Series 2012.

\$ 425,000

A schedule of the outstanding Library General Obligation Bonds, Series 2004, principal and interest requirements are as follows:

Year Ended December 31,	Library General Obligation Bonds		
	Principal	Interest	Total
2014	\$ 425,000	\$ 7,225	\$ 432,225
Total	\$ 425,000	\$ 7,225	\$ 432,225

Library General Obligation Refunding Bonds, Series 2012

Library General Obligation Refunding Bonds, Series 2012 - \$6,180,000, dated May 10, 2012, due in annual installments of principal and semi-annual installments of interest through March 1, 2024; variable interest rate ranging from 2.0% to 3.0%.

\$ 6,080,000

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Library General Obligation Refunding Bonds, Series 2012 (Continued)

A schedule of the outstanding Library General Obligation Refunding Bonds, Series 2012, principal and interest requirements is as follows:

Year Ended December 31,	Library General Obligation Refunding Bonds		
	Principal	Interest	Total
2014	\$ 70,000	\$ 138,531	\$ 208,531
2015	520,000	132,631	652,631
2016	535,000	122,081	657,081
2017	555,000	111,181	666,181
2018	570,000	99,931	669,931
2019 - 2023	3,135,000	307,522	3,442,522
2024	695,000	10,425	705,425
Total	\$ 6,080,000	\$ 922,302	\$ 7,002,302

The 2004 Library Bonds were issued for the purpose of constructing, acquiring, and improving public libraries within Livingston Parish, and acquiring the necessary land, equipment, and furnishings. The bonds are secured and payable from unlimited ad valorem taxation and were authorized in a special election held on October 4, 2003. Pursuant to the ordinance, the Parish established and maintains a Debt Service Fund where all proceeds of the ad valorem taxes are deposited for the repayment of these general obligation bonds.

The Debt Service Fund is designed to achieve a proper matching of revenues and debt service on the Bonds within each bond year. For purposes of this Arbitrage Certificate and compliance with Arbitrage Regulations, "Bond Year" shall mean the 1-year period ending on each principal payment date of the Bonds, which is March 1st of each year. All amounts deposited in the Debt Service Fund will be applied to the next payment of principal or interest on the Bonds following such transfer. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each Bond Year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the principal and interest payments on the bonds for the immediately preceding bond year. At December 31, 2013, the Library Debt Service Sinking Fund had a debt service restricted fund balance of \$1,748,041.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Road Project Revenue Bonds, Series 2006

Road Project Revenue Bonds, Series 2006 - \$49,295,000, dated May 1, 2006, due in annual installments of principal and semi-annual installments of interest through March 1, 2021; variable interest rate ranging from 4.00% to 5.00%.

\$ 30,800,000

A schedule of the outstanding Road Project Revenue Bonds, Series 2006, principal and interest requirements is as follows:

<u>Year Ended December 31,</u>	<u>Road Project Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,225,000	\$ 1,459,375	\$ 4,684,375
2015	3,385,000	1,294,125	4,679,125
2016	3,555,000	1,120,625	4,675,625
2017	3,735,000	938,375	4,673,375
2018	3,920,000	747,000	4,667,000
2019 - 2021	12,980,000	994,838	13,974,838
Total	\$ 30,800,000	\$ 6,554,338	\$ 37,354,338

The Road Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the construction, acquisition, extension, expansion, and improvement of roads, bridges, and related road drainage projects throughout Livingston Parish. As a condition to enter into this debt, the Council pledged lawfully available funds to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, the Authority determined that it is financially advantageous to fund the Reserve Fund Requirement of this loan with a reserve fund instrument consisting of a surety bond which costs \$466,545.

According to the terms of the Trust Indenture, the Council established the Road 06 Sinking Fund Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the Bonds for the immediately preceding bond year. At December 31, 2013, the Road 06 Project Revenue Bond sinking fund was fully funded with an actual balance of \$3,341,264.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Jail Project Revenue Bonds, Series 2006

Jail Project Revenue Bonds, Series 2006 - \$18,890,000, dated May 4, 2006, due in annual installments of principal and semi-annual installments of interest through March 1, 2021; variable interest rate ranging from 4.00% to 5.00%.

\$ 11,555,000

A schedule of the outstanding Jail Project Revenue Bonds, Series 2006, principal and interest requirements is as follows:

Year Ended December 31,	Jail Project Revenue Bonds		
	Principal	Interest	Total
2014	\$ 1,245,000	\$ 474,587	\$ 1,719,587
2015	1,295,000	422,978	1,717,978
2016	1,350,000	368,425	1,718,425
2017	1,405,000	310,725	1,715,725
2018	1,465,000	249,738	1,714,738
2019 - 2021	4,795,000	335,616	5,130,616
Total	\$ 11,555,000	\$ 2,162,069	\$ 13,717,069

The Jail Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the construction, acquisition, expansion, improvement, equipment, and furnishings of jail facilities in Livingston Parish. As a condition to enter into this debt, the Council pledged lawfully available funds, including jail tax revenues, to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, the Authority determined that it is financially advantageous to fund the Reserve Fund Requirement of this loan with a Reserve Fund Instrument consisting of a surety bond which costs \$170,915.

According to the terms of the Trust Indenture, the Council established the Jail Debt Service Sinking Fund Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2013, the Jail Project Revenue Bond sinking fund was fully funded with an actual balance of \$1,273,200.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Live Oak Sports Complex Project Revenue Bonds, Series 2008

Live Oak Sports Complex Project Revenue Bonds, Series 2008 -
\$4,455,000, dated September 4, 2008, due in annual installments
of principal and semi-annual installments of interest through
September 1, 2038; variable interest rate ranging from 3.00%
to 5.25%.

\$ 4,060,000

A schedule of the outstanding Live Oak Sports Complex Project Revenue Bonds, Series 2008, principal and interest requirements is as follows:

Year Ended December 31,	Live Oak Sports Complex Revenue Bonds		
	Principal	Interest	Total
2014	\$ 85,000	\$ 205,512	\$ 290,512
2015	90,000	202,325	292,325
2016	95,000	198,725	293,725
2017	100,000	194,925	294,925
2018	100,000	190,675	290,675
2019 - 2023	590,000	873,588	1,463,588
2024 - 2028	765,000	703,100	1,468,100
2029 - 2033	975,000	488,050	1,463,050
2034 - 2038	1,260,000	205,538	1,465,538
Total	\$ 4,060,000	\$ 3,262,438	\$ 7,322,438

The Live Oak Sports Complex Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the cost of acquiring, designing, constructing, and developing public parks, playgrounds, and recreational properties and facilities within Recreation District No. 2 of Livingston Parish. As a condition to enter into this debt, the Council pledged lawfully available funds to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, a Reserve Fund Requirement for this loan was necessary to complete the financing. The Reserve Fund was funded with a withholding of the bond proceeds of \$295,450.

The Council entered into a Local Service Agreement with Recreation District No. 2 of Livingston Parish where the Recreation District agreed to repay the principal and interest on the bonds in exchange for the Council to administer the construction funds.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Live Oak Sports Complex Project Revenue Bonds, Series 2008 (Continued)

According to the terms of the Trust Indenture, the Council established the Live Oak Sports Complex Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2013, the Live Oak Sports Complex Project Revenue Bond sinking fund was fully funded with an actual balance of \$127,834.

North Park Project Revenue Bonds, Series 2008

North Park Project Revenue Bonds, Series 2008 - \$8,635,000, dated October 30, 2008, due in annual installments of principal and semi-annual installments of interest through October 1, 2038; variable interest rate ranging from 6.90% to 7.00%.

\$ 8,080,000

A schedule of the outstanding North Park Project Revenue Bonds, Series 2008, principal and interest requirements is as follows:

Year Ended December 31,	North Park Project Revenue Bonds		
	Principal	Interest	Total
2014	\$ 135,000	\$ 556,235	\$ 691,235
2015	145,000	548,000	693,000
2016	150,000	539,155	689,155
2017	160,000	530,005	690,005
2018	170,000	520,245	690,245
2019 - 2023	1,030,000	2,421,455	3,451,455
2024 - 2028	1,445,000	2,009,500	3,454,500
2029 - 2033	2,015,000	1,432,900	3,447,900
2034 - 2038	2,830,000	621,600	3,451,600
Total	\$ 8,080,000	\$ 9,179,095	\$ 17,259,095

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

North Park Project Revenue Bonds, Series 2008 (Continued)

The North Park Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the cost of acquiring, designing, constructing, and developing of an indoor basketball court, a multi-purpose gym, a health and fitness center, an indoor/outdoor pool and splash park, a pond walking trail, tennis facilities, soccer facilities, and expansion of existing ball fields within Recreation District No. 3 of Livingston Parish. As a condition to enter into this debt, the Council pledged lawfully available funds to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, a Reserve Fund Requirement for this loan was necessary to complete the financing. The Reserve Fund was funded with a withholding of the bond proceeds of \$693,195.

The Council entered into a Local Service Agreement with Recreation District No. 3 of Livingston Parish where the Recreation District agreed to repay the principal and interest on the bonds in exchange for the Council to administer the construction funds.

According to the terms of the Trust Indenture, the Council established the North Park Sinking Fund Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2013, the North Park Project Revenue Bond sinking fund was fully funded with an actual balance of \$172,809.

Office of Motor Vehicles Project Revenue Bonds, Series 2009

Office of Motor Vehicles Project Revenue Bonds, Series 2009 - \$4,820,000, dated September 30, 2009, due in annual installments of principal and semi-annual installments of interest through September 1, 2039; variable interest rate ranging from 3.00% to 4.75%.

\$ 4,450,000

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Office of Motor Vehicles Project Revenue Bonds, Series 2009 (Continued)

A schedule of the outstanding Office of Motor Vehicles Project Revenue Bonds, Series 2009, principal and interest requirements is as follows:

Year Ended December 31,	Office of Motor Vehicles Project Revenue Bonds		
	Principal	Interest	Total
2014	\$ 105,000	\$ 190,565	\$ 295,565
2015	105,000	187,415	292,415
2016	110,000	184,265	294,265
2017	115,000	180,965	295,965
2018	115,000	177,515	292,515
2019 - 2023	650,000	824,175	1,474,175
2024 - 2028	780,000	686,045	1,466,045
2029 - 2033	970,000	496,175	1,466,175
2034 - 2038	1,220,000	245,465	1,465,465
2039	280,000	13,300	293,300
Total	\$ 4,450,000	\$ 3,185,885	\$ 7,635,885

The Office of Motor Vehicles Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the construction, equipping, and furnishing of a building for the Livingston Parish Office of Motor Vehicles. As a condition to enter into this debt, the Council pledged lawfully available funds, including motor vehicle service fees of \$3 per transaction, to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, the Authority determined that it is financially advantageous to fund the Reserve Fund Requirement of this loan with a Reserve Fund Instrument consisting of a surety bond which costs \$65,854.

According to the terms of the Trust Indenture, the Council established the Livingston Sinking Fund Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2013, the Motor Vehicles Project Revenue Bond sinking fund was fully funded with an actual balance of \$119,696.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Sewer District No. 2 Project Revenue Bonds, Series 2009

Sewer District No. 2 Project Revenue Bonds, Series 2009 - \$2,500,000, dated December 1, 2009, due in annual installments of principal and semi-annual installments of interest through March 1, 2039; variable interest rate ranging from 2.50% to 5.125%.

\$ 2,360,000

A schedule of the outstanding Sewer District No. 2 Project Revenue Bonds, Series 2009, principal and interest requirements is as follows:

Year Ended December 31,	Sewer District No. 2 Project Revenue Bonds		
	Principal	Interest	Total
2014	\$ 50,000	\$ 110,412	\$ 160,412
2015	50,000	108,788	158,788
2016	55,000	106,688	161,688
2017	55,000	104,488	159,488
2018	60,000	102,188	162,188
2019 - 2023	330,000	470,951	800,951
2024 - 2028	415,000	388,353	803,353
2029 - 2033	525,000	277,322	802,322
2034 - 2038	665,000	128,178	793,178
2039	155,000	3,972	158,972
Total	\$ 2,360,000	\$ 1,801,340	\$ 4,161,340

The Sewer District No. 2 Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the acquisition, construction, extension, and improvement of the sewerage system of Sewerage District No. 2 of Livingston Parish. As a condition to enter into this debt, the Council pledged lawfully available funds to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, a Reserve Fund Requirement for this loan was necessary to complete the financing. The Reserve Fund was funded with a withholding of the bond proceeds of \$162,830.

The Council entered into a Local Service Agreement with Sewerage District No. 2 of Livingston Parish where the Sewerage District agreed to repay the principal and interest on the bonds in exchange for the Council to administer the construction funds.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Sewer District No. 2 Project Revenue Bonds, Series 2009 (Continued)

According to the terms of the Trust Indenture, the Council established the Sewer #2 Sinking Fund Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2013, the Sewer District No. 2 Project Revenue Bond sinking fund was fully funded with an actual balance of \$79,761.

Health Unit Refunding Bonds, Series 2011

Health Unit Refunding Bonds, Series 2011 - \$1,490,000, dated March 31, 2011, due in annual installments of principal and semi-annual installments of interest through May 1, 2015; variable interest rate ranging from 2.00% to 3.00%.

\$ 635,000

A schedule of the outstanding Health Unit Refunding Bonds, Series 2011, principal and interest requirements is as follows:

Year Ended December 31,	Health Unit Refunding Bonds		
	Principal	Interest	Total
2014	\$ 315,000	\$ 12,750	\$ 327,750
2015	320,000	4,800	324,800
Total	<u>\$ 635,000</u>	<u>\$ 17,550</u>	<u>\$ 652,550</u>

The Health Unit Refunding Bonds were issued for the purpose of refunding its \$4,240,000 Certificates of Indebtedness, Series 2005, funding a debt service fund, and paying the costs of issuance. The bonds are secured from a pledge and dedication of the excess of annual revenues over the necessary and usual charges in each of the fiscal years during which the certificates are outstanding and include funds in the General Fund and the Health Unit Fund. As a condition to enter into this debt, a Reserve Fund Requirement for this loan was necessary to complete the financing. The Reserve Fund was funded with a withholding of the bond proceeds of \$149,003.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Health Unit Refunding Bonds, Series 2011 (Continued)

The Health Unit Debt Service Sinking Fund was created by the Bond Ordinance and shall be maintained with the Paying Agent. Five (5) days prior to each Interest Payment Date, the Issuer shall deposit into the Debt Service Fund, such amounts required to make principal and interest payments due on such Interest Payment Date. The Paying Agent shall use the moneys on deposit in the Debt Service Fund to make principal and interest payments to the Bondholders. It shall be specifically understood and agreed, however, that after the funds have actually been set aside out of the revenues of any Fiscal Year sufficient to pay the principal and interest on the Bonds for that Fiscal Year, and all required amounts have been deposited in the aforesaid Debt Service Fund established for the Bonds, then any excess of annual revenues remaining in that Fiscal Year shall be free for expenditure by the Issuer for any other lawful corporate purpose.

Courthouse Project Revenue Bonds, Series 2011

Courthouse Project Revenue Bonds, Series 2011 - \$17,865,000, dated September 1, 2011, due in annual installments of principal and semi-annual installments of interest through September 1, 2041; variable interest rate ranging from 2.00% to 5.00%.

\$ 17,165,000

A schedule of the outstanding Courthouse Project Revenue Bonds, Series 2011, principal and interest requirements is as follows:

Year Ended December 31,	Courthouse Revenue Bonds		
	Principal	Interest	Total
2014	\$ 360,000	\$ 729,381	\$ 1,089,381
2015	370,000	722,181	1,092,181
2016	375,000	714,781	1,089,781
2017	385,000	707,281	1,092,281
2018	390,000	697,656	1,087,656
2019 - 2023	2,150,000	3,298,230	5,448,230
2024 - 2028	2,655,000	2,796,880	5,451,880
2029 - 2033	3,330,000	2,116,088	5,446,088
2034 - 2038	4,165,000	1,285,520	5,450,520
2039 - 2041	2,985,000	280,275	3,265,275
Total	\$ 17,165,000	\$ 13,348,273	\$ 30,513,273

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Courthouse Project Revenue Bonds, Series 2011 (Continued)

The Courthouse Project Revenue Bonds were issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) for the purpose of providing funding to finance the construction, acquisition, equipping, and furnishing of a building to serve as the Livingston Parish Courthouse. As a condition to enter into this debt, the Council pledged lawfully available funds, including special filing charges imposed by the Courthouse Financing Act, to secure payment of these bonds as defined in the agreement between the Council and the Authority. In addition, as a condition of the loan, the Authority determined that it is financially advantageous to fund the Reserve Fund Requirement of this loan with a Reserve Fund Instrument consisting of a surety bond which costs \$205,967.

According to the terms of the Trust Indenture, the Council established the Courthouse Sinking Fund Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the Bonds for the immediately preceding bond year. At December 31, 2013, the Courthouse Project Revenue Bond sinking fund was fully funded with an actual balance of \$363,602.

Business-Type Activity Debt

Bruce's Harbor Project Certificates of Indebtedness, Series 2006

Bruce's Harbor Project Certificates of Indebtedness, Series 2006 -
\$285,000, dated December 6, 2006, due in annual installments
of principal and semi-annual installments of interest through
December 16, 2016; interest rate of 4.50%.

\$ 100,000

A schedule of the outstanding Bruce's Harbor Project Certificates of Indebtedness, Series 2006, principal and interest requirements is as follows:

Year Ended December 31,	Bruce's Harbor Project Certificates of Indebtedness		
	Principal	Interest	Total
2014	\$ 30,000	\$ 4,500	\$ 34,500
2015	35,000	3,150	38,150
2016	35,000	1,575	36,575
Total	\$ 100,000	\$ 9,225	\$ 109,225

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Business-Type Activity Debt (Continued)

Bruce's Harbor Project Certificates of Indebtedness, Series 2006 (Continued)

The Bruce's Harbor Project Certificates of Indebtedness were issued for the purpose of providing funding to finance the cost of constructing and acquiring improvements, extensions, and replacements to the waterworks system in the Bruce's Harbor area of Livingston Parish.

Water Revenue Bonds, Series 2007

Water Revenue Bonds, Series 2007 - \$2,572,000, dated September 26, 2007, due in annual installments of principal and semi-annual installments of interest through September 26, 2041; interest rate of 4.25%.

\$ 2,201,314

A schedule of the outstanding Water Revenue Bonds, Series 2007, principal and interest requirements is as follows:

Year Ended December 31,	Water Revenue Bonds		
	Principal	Interest	Total
2014	\$ 42,449	\$ 92,735	\$ 135,184
2015	44,289	90,896	135,185
2016	46,208	88,976	135,184
2017	48,211	86,974	135,185
2018	50,300	84,884	135,184
2019 - 2023	286,149	389,771	675,920
2024 - 2028	353,768	322,154	675,922
2029 - 2033	437,363	238,559	675,922
2034 - 2038	540,714	135,209	675,923
2039 - 2041	351,863	21,683	373,546
Total	\$ 2,201,314	\$ 1,551,841	\$ 3,753,155

The Water Revenue Bonds were issued for the purpose of providing funding to finance the cost of constructing and acquiring improvements, extensions, and replacements to the waterworks system.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Business-Type Activity Debt (Continued)

Community Development Water System Loan

Community Development Water System Loan - \$350,000, drawn on various dates, due in various monthly increments, with interest calculated at a variable rate, with the final payment due November 1, 2029.

\$ 276,200

A schedule of the outstanding Community Development Water System Loan, principal and interest requirements are as follows:

Year Ended December 31,	Community Development Water System Loan		
	Principal	Interest	Total
2014	\$ 11,800	\$ 3,733	\$ 15,533
2015	13,200	3,554	16,754
2016	13,200	3,372	16,572
2017	13,600	3,190	16,790
2018	14,400	2,995	17,395
2019 - 2023	82,700	11,742	94,442
2024 - 2028	105,267	5,343	110,610
2029	22,033	152	22,185
Total	<u>\$ 276,200</u>	<u>\$ 34,081</u>	<u>\$ 310,281</u>

The Council authorized this loan by Ordinance 03-247 dated June 12, 2003, and has drawn a total of \$350,000. This loan requires principal repayments through the next 18 years. The loan proceeds were used to finance improvements to the Council's water systems serving Bruce's Harbor, Springfield Terrace, and Haynes Settlement.

The annual requirements to amortize the loan balance outstanding using an estimated current interest rate of 1.38% is shown in the above schedule. The actual future amounts of interest paid may vary from this schedule depending on fluctuations in the variable rate applied to the loan.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Business-Type Activity Debt (Continued)

Governmental Activities Bonds Refunded

In prior years, the Council defeased Series 2004 general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements. At December 31, 2013, \$6,180,000 of defeased bonds remained outstanding.

Debt Service Requirements to Maturity

The annual requirements to repay the debt of the primary government, with the exception of compensated absences, including principal and interest, are as follows:

Year Ended December 31,	Government Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 6,015,000	\$ 3,884,573	\$ 9,899,573	\$ 84,949	\$ 100,968	\$ 185,917
2015	6,280,000	3,623,243	9,903,243	92,489	97,600	190,089
2016	6,225,000	3,354,745	9,579,745	94,408	93,923	188,331
2017	6,510,000	3,077,945	9,587,945	61,811	90,164	151,975
2018	6,790,000	2,784,948	9,574,948	64,700	87,879	152,579
2019 - 2023	25,660,000	9,526,374	35,186,374	368,849	401,513	770,362
2024 - 2028	6,755,000	6,594,303	13,349,303	459,035	327,497	786,532
2029 - 2033	7,815,000	4,810,535	12,625,535	458,696	238,711	697,407
2034 - 2038	10,140,000	2,486,301	12,626,301	540,714	135,209	675,923
2039 - 2041	3,420,000	297,547	3,717,547	351,863	21,683	373,546
	85,610,000	\$ 40,440,514	\$ 126,050,514	\$ 2,577,514	\$ 1,595,147	\$ 4,172,661
Net Unamortized Premium (Discounts)	1,094,990					
	<u>\$ 86,704,990</u>					

Louisiana Revised Statute 39:562 limits the amount of outstanding general obligation bonded debt of any subdivision for any one of the purposes authorized to 10% of the assessed valuation of the taxable property of such subdivision, including both (1) homestead exempt property, which shall be included on the assessment roll for the purposes of calculating debt limitation and (2) nonexempt property, as ascertained by the last assessment for parish, municipal, or local purposes prior to delivery of the bonds representing such indebtedness, regardless of the date of the election at which said bonds were approved. For the year ended December 31, 2013, the Council's general obligation debt limit was \$68,536,000. The Council's general obligation debt did not exceed the legal limits as of December 31, 2013.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 12. Restricted Assets

Restricted assets were applicable to the following at December 31, 2013:

	Funds Restricted for:				Total
	Construction	Debt Reserves	Debt Service Sinking	Grant	
Governmental Activities:					
Road Project Revenue Bonds, Series 2006	\$ -	\$ -	\$ 3,341,264	\$ -	\$ 3,341,264
Jail Project Revenue Bonds, Series 2006	-	-	1,273,200	-	1,273,200
Live Oak Sports Complex Project Revenue Bonds, Series 2008	-	295,450	127,834	-	423,284
North Park Project Revenue Bonds, Series 2008	-	693,195	172,809	-	866,004
Office of Motor Vehicles Project Revenue Bonds, Series 2009	-	-	119,696	-	119,696
Sewer District No. 2 Project Revenue Bonds, Series 2009	-	162,830	79,761	-	242,591
Health Unit Refunding Bonds, Series 2011	-	149,003	-	-	149,003
Courthouse Project Revenue Bonds, Series 2011	8,630,079	-	363,602	-	8,993,681
Gulf of Mexico Energy Security Act Federal Grant Advance	-	-	-	92,784	92,784
Total Governmental Activities	8,630,079	1,300,478	5,478,166	92,784	15,501,507
Business-Type Activities:					
Water Revenue Bonds, Series 2007	-	67,680	11,265	-	78,945
Total Business-Type Activities	-	67,680	11,265	-	78,945
Total Restricted Assets	\$ 8,630,079	\$ 1,368,158	\$ 5,489,431	\$ 92,784	\$ 15,580,452

Note 13. Sales and Use Tax

On January 21, 1996, the voters of Livingston Parish approved a parish-wide fifteen year, 1% sales and use tax dedicated for constructing, acquiring, extending, expanding, improving, maintaining, and operating roads, bridges, and related road drainage throughout the parish, and acquiring equipment related thereto, and (ii) constructing, acquiring, extending, expanding, improving, operating, maintaining, equipping, and furnishing jail facilities of the parish. An election was held on January 21, 2006, to rededicate 1/4th of the 1% road construction sales tax and to extend the collection of the sales tax until 2021. The proposition was passed by the taxpayers of the parish. The tax is split, 75% to roads, and 25% to the jail. The Council has set up the Road Fund to account for the sales tax and ad valorem tax collections dedicated to the maintaining and improving of parish-wide roads and streets and the related drainage improvements associated therewith. The Jail Sales Tax Fund was set up to account for the sales tax collections and expenditures related to the jail.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 13. Sales and Use Tax (Continued)

The total sales and use tax revenue for the year ended December 31, 2013, was as follows:

	Sales and Use Tax Revenue	Percentage
Jail Sales Tax Fund	\$ 3,581,629	25%
Road Fund	10,744,890	75%
Total Sales and Use Tax	\$ 14,326,519	100%

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Parish Council entered into an agreement with all of the sales and use taxing authorities of the Parish of Livingston, designating the Sales Tax Department of the Livingston Parish School Board as the single tax collection entity.

Note 14. Changes in Fiduciary Fund Deposits and Disbursements

The Livingston Parish School Board remits the sales taxes collected within Gravity Drainage District No. 2 of Livingston Parish to the Council. Upon receipt of the sales taxes from the School Board, the Council disburses the funds to Gravity Drainage District No. 2 of Livingston Parish. Since the Council does not hold any funds due to Gravity Drainage District No. 2 of Livingston Parish as of December 31, 2013, a fiduciary statement is not included in the basic financial statements.

Following is a schedule of the total sales taxes collected for and disbursed to Gravity Drainage District No. 2 of Livingston Parish for fiscal year ended December 31, 2013:

Balance Due at 12/31/12	Collected	Disbursed	Balance Due at 12/31/13
\$ -	\$ 803,693	\$ (803,693)	\$ -

Note 15. Defined Benefit Pension Plan and Retirement Commitments

Substantially all employees of the Livingston Parish Council are members of the Parochial Employees' Retirement System of Louisiana (the System/PERS), a multiple-employer, public employee retirement system, controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The employees of the Council are members of Plan B.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 15. Defined Benefit Pension Plan and Retirement Commitments (Continued)

Permanent employees working at least 28 hours per week who are paid wholly or in part from the Council's funds and all elected Council officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service, or at or after age 55 with 30 years of creditable service, or at or after age 65 with 7 years of creditable service, are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average salary for each year of creditable service.

Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 63. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of the final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan prior to January 1, 2002. Prior to January 1, 2002, state statute required employees covered by Plan B to contribute 2% of their salaries in excess of \$100 per month to the System. Effective January 1, 2002, the state statute was amended to require employees covered by Plan B to contribute 3% of their salaries per month to the plan.

The contribution rates in effect for the year ended December 31, 2013, were as follows:

	December 31, 2013	
	Parish Council Percentage	Parish Employees Percentage
Parochial Employees' Retirement System Plan B	10%	3%

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 15. Defined Benefit Pension Plan and Retirement Commitments (Continued)

The contributions made to PERS for December 31, 2013, which substantially equaled the required contribution, were as follows:

	December 31, 2013
<hr/>	
Parochial Employees' Retirement System	
Plan B	
Parish Council Contribution	\$ 539,467
Parish Employees Contribution	<u>160,487</u>
Total Contribution	<u>\$ 699,954</u>

Trend information that shows the progress of PERS accumulating sufficient assets to pay benefits when due, is presented in the PERS's annual financial report. Copies of PERS's annual financial reports may be obtained from the Parochial Employees' Retirement System of Louisiana.

Certain other employees are members of other retirement systems. The Council withholds contributions to the following systems: Louisiana State Employees' Retirement System; Registrar of Voters Employees' Retirement System; and District Attorneys' Retirement System. Contributions to these other systems represent less than 5% of combined retirement contributions.

Note 16. Other Postemployment Benefits (OPEB)

No plan currently exists to provide Council employees with other postemployment benefits.

Note 17. Deferred Compensation Plan

During 1996, the Council began a deferred compensation plan created under Section 457 of the Internal Revenue Code. The National Association of Counties Deferred Compensation Program (the Plan) is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Council has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans*. Under this statement, governments who have no responsibility for the Plan and are not formally considered the Plan's trustee are not required to report the Plan in their financial statements. Since the Council's Plan was held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Council's financial statements.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 18. Compensation Paid to Parish President and Council Members

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the Parish Council is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Council has elected the monthly payment method of compensation. Under this method, the Council Members receive \$1,200 per month. Compensation paid to the Parish President and to the Members of the Parish Council is as follows:

Name / Contact Number	Title	Address	Amount
L. Layton Ricks, Jr. (225) 686-4400	Parish President	P. O. Box 427 Livingston, LA 70754	\$ 142,122
Chance M. Parent (225) 686-3027	District 1 Council Member	35649 Woodland Ridge Drive Denham Springs, LA 70706	14,404
James R. Norred, Jr. (225) 686-3027	District 2 Council Member	9900 Meadow Lane Denham Springs, LA 70706	14,404
Cynthia G. Wale (225) 686-3027	District 3 Council Member	9417 Prince Charles Denham Springs, LA 70726	14,404
Marshall Harris (225) 686-3027	District 4 Council Member	704 Tom Drive Denham Springs, LA 70726	14,404
Joan M. Landry (225) 686-3027	District 5 Council Member	24076 Canyon Road Denham Springs, LA 70726	14,404
Sonya O. Collins (225) 686-3027	District 6 Council Member	16060 Jolie Lane French Settlement, LA 70733	14,404
Ricky E. Goff (225) 686-3027	District 7 Council Member	32774 Kirby Wood Drive Walker, LA 70785	14,404
Ronald L. Sharp (225) 686-3027	District 8 Council Member	29946 Highway 444 Springfield, LA 70462	14,404
Delos M. Blackwell (225) 686-3027	District 9 Council Member	P. O. Box 418 Albany, LA 70711	14,404
Total			\$ 271,758

Current terms expire December 31, 2015.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 19. Landfill Closure and Post-Closure Care Costs

On March 27, 2000, the Council adopted Ordinance Number 00-11 whereby the Council approved an agreement with Waste Management of Louisiana, LLC (Waste Management) concerning the operation of Woodside Landfill. Under the terms of the agreement, Waste Management agreed to become the permit holder of the Woodside Landfill's DEQ permit (previously the Council was the permit holder). As the permit holder, Waste Management assumed full responsibility for all obligations imposed by the permit, including defending and holding harmless the Council from any and all liabilities arising out of the permit including, but not limited to: all closure, post-closure, monitoring, and financial responsibility requirements of the existing Woodside Landfill facility. Accordingly, at December 31, 2000, the Council removed all municipal solid waste landfill closure and post-closure liability from its long-term debt.

In addition, Waste Management agreed to pay the Council 5% of the gross revenue derived from the disposal of solid waste of the landfill for a period of two years from the date of the agreement and 6.5% thereafter of gross revenues until the facility has reached full capacity. Furthermore, Waste Management agreed to pay the Council 6.5% of gross revenues on an additional adjacent landfill site owned by Waste Management subject to a minimum royalty of \$600,000 contingent on gross revenues collected by Waste Management equal to or exceeding \$8,000,000 per year at that facility. For the year ended December 31, 2013, the total royalties under this agreement were \$1,465,065. In addition, Waste Management agreed to pay the Council \$40,000 annually to fund the salary and related expense of an employee who will be responsible for acting as a liaison with the public on matters pertaining to residential garbage collections and waste disposal.

Note 20. Deficit Fund Equity

At December 31, 2013, the Jail Sales Tax Fund deficit was (\$6,993,050). This accumulated deficit was caused by expenditures exceeding revenues during the current and prior years and is expected to remain as a deficit until the existing jail bonds are paid off in 2021. The deficit has been funded by advances from the General Fund of \$3,431,708 and the Health Unit Fund of \$300,000, as of December 31, 2013. The Jail Sales Tax Fund will repay these advances once resources are available. In addition, at December 31, 2013, the Jail Sales Tax Fund owes the General Fund \$1,563,528 and the Road Special Revenue Fund \$1,061,314, for a total of \$2,624,842, which is included in the governmental fund financial statements as due to other funds.

At December 31, 2013, the Office of Emergency Preparedness Fund deficit was (\$325,389). This accumulated deficit was caused by expenditures exceeding revenues during the current and prior years. The deficit is expected to be eliminated during 2014 with additional transfers from the General Fund.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 21. Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The Council has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Council. Settled claims have not exceeded this insurance coverage in any of the past three years.

Note 22. Litigation and Claims

At December 31, 2013, the Council was the defendant in several pending lawsuits filed in the Twenty First Judicial District Court. Although the suits are still pending, the President and Council deny any liability and are actively defending its position. Based on the opinion of legal counsel on the possible outcome of these lawsuits, it is the opinion of management that the disposition of these matters will not have a material adverse effect on the financial position of the Parish Council.

As of December 31, 2013, there were two outstanding judgments in the amount of \$154,085 recorded against the Parish. One of these judgments is Paul C. Veatch vs. Livingston Parish for \$15,406 and the other judgment is James B. Fontenot vs. Livingston Parish Police Jury for \$138,679. These judgments are not collectible because the Parish is immune from paying judgments until the expenditure has been appropriated.

As of December 31, 2013, the Council remains involved in a dispute with a contracted engineering firm related to billings and payments for engineering work performed in prior years in the amount of \$452,962. The expenses related to this contract are included in prior years' financial statements. Subsequent to December 31, 2011, the Council decided to cancel the contract with the engineering firm and filed a petition for restitution seeking reimbursement of amounts paid, plus any damages associated with additional engineering work that may be necessary as a result of the contract termination. The engineering firm filed a lawsuit for contract wrongful termination.

As of December 31, 2013, the Council remains involved in a dispute with a contractor that provided environmental and right of way services in prior years. The contractor is requesting payment for the work performed but the Council is holding the payment pending the results of alleged billing irregularities. The expenses in the amount of \$379,518 related to this contract have been included in the prior years' financial statements.

In 2005, the Parish suffered damage from Hurricanes Katrina and Rita. The Council recovered damages from these storms from the Federal Emergency Management Agency (FEMA). The audits of these funds and claims recovered from FEMA are still subject to final audits. If there is any liability for repayment of any of the funds collected from FEMA for the 2005 funds, the amounts are not known and are, therefore, not included in these financial statements.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 23. Commitments and Contingencies

In the fall of 2008, the Parish suffered damages from Hurricanes Gustav and Ike. The Council entered into contracts for debris removal, for debris removal contract monitoring services, and for debris site burning. The Council has submitted the cost of the hurricane cleanup to FEMA to request reimbursements on FEMA designated forms called project worksheets (PWs). Subsequent to the contracted cleanup work being performed within the parish, the Council submitted the necessary forms for reimbursement. Total claims submitted to FEMA as of December 31, 2013, amount to approximately \$58,000,000. Of this amount, FEMA has denied approximately \$47,500,000. FEMA has denied paying a substantial portion of the expenses incurred by the Council on debris cleanup work related to removal of hazardous leaning trees and hazardous hanging limbs. In addition, FEMA has denied the expense reimbursement claims the Council made on hurricane debris removal and monitoring services performed within the gravity drainage districts and outside the gravity drainage districts within the parish. The Council is appealing these denials by FEMA. As of the date of this report, the appeals and contested claims of the Council with FEMA are still continuing and a decision has not been finalized.

Due to the unresolved disputes and uncertainties involving the appeals with FEMA, the Council cannot make a reasonable estimate to include in the financial statements for the additional unpaid debris cleanup costs or associated federal assistance reimbursement. This estimate could be material to these financial statements and the amount can vary significantly, depending on the results of the appeal with FEMA.

Note 24. Revenues and Expenditures Actual Compared to Budget

The following funds had actual revenues and/or other sources and expenditures and/or other uses with unfavorable budget variances exceeding 5% for the year ended December 31, 2013, in the following categories or functions:

	Final Budget	Actual	Unfavorable Variance	Unfavorable Variance Percentage
General Fund				
Total Expenditures and Other Uses	\$ 11,167,256	\$ 12,133,185	\$ (965,929)	-8.65%

State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more.

Note 25. Current Accounting Pronouncements

The Governmental Accounting Standards Board issued GASB Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. This Statement was adopted by the Council for the year ended December 31, 2013, but did not have any effect on the financial statements.

In June 2012, the Governmental Accounting Standards Board issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees - both active employees and inactive employees - are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between a government's inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations and the resources available to satisfy those obligations. An additional objective of this Statement is to improve the information provided in governmental financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities. This statement will be required to be adopted by the Council for fiscal year ending December 31, 2015.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 25. Current Accounting Pronouncements (Continued)

Statement No. 67, *Financial Reporting for Pension Plans*, establishes standards of financial reporting for defined benefit pension plans and defined contribution pension plans that are used to provide pensions that are within the scope of this Statement. Statement 67 is closely related in some areas, and certain provisions of this Statement refer to, Statement 68. This Statement will be required to be adopted by the Council's retirement systems for fiscal year ending December 31, 2014.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for fiscal year ended December 31, 2014. Management currently believes the implementation of GASB 67 will not have a material effect on the Council's financial statements.

Note 26. Subsequent Events

In March, 2014, the Council issued, through the Louisiana Local Government Environmental Facilities and Community Development Authority, Series 2014 Jail Refunding Bonds in the amount of \$7,775,000 and Series 2014 Road Project Refunding Bonds in the amount of \$21,105,000.

OTHER SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH COUNCIL

Fund Descriptions (Continued)

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Bingo Fund - This fund is used to account for the proceeds of collections from bingo operators within the Parish of Livingston, and to account for the expenditure of those funds.

Jury Mileage Fund - This fund was created by Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited in a special Jury Mileage Fund to be used for the expenses of the criminal court of the Parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judge. The statute also requires that one-half of the balance remaining in the fund at December 31st each year be transferred to the General Fund.

Off Duty Officer Witness Fund - This fund accounts for the court cost and bond forfeiture revenues, witness fees, and related expenditures. As required by Louisiana Revised Statute 15, Section 255, the fund balance remaining at December 31st each year, which is in excess of the total amount paid from the fund as witness fees or off-duty officers in that year, is transferred to the Jury Mileage Fund.

Hazard Mitigation Grant Fund - This fund is funded by federal grants to be expended for the acquisition or elevation of repetitively flooded structures located in the Parish.

Office of Emergency Preparedness Fund - This fund accounts for the operations of the Parish Office of Emergency Preparedness and the federal and state grants that it monitors.

Court Fee Special Revenue Fund - This fund accounts for the court fee revenues received from the Clerk of Court for the purpose of design, construction, renovation, equipping, operation, and maintenance of a new Livingston Parish Courthouse and transfers to the Courthouse Sinking Fund for the payment on the debt service of the courthouse bonds.

Public, Educational, and Governmental (PEG) Access Fund - This fund accounts for the collection of PEG fees collected by various cable television providers operating within the Parish that are used to pay for television broadcasts of the proceedings of the Parish Council meetings over a contracted cable channel.

LIVINGSTON PARISH COUNCIL

Fund Descriptions (Continued)

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

Capital Projects Funds

Parish Transportation Capital Outlay Fund - This fund was created to account for Parish Transportation Act funds received from the State of Louisiana and to dedicate these funds to projects on the 3 year road list. These funds are only spent on capital outlay.

Live Oak Sports Complex Capital Outlay Fund - This fund is used to account for proceeds of the Live Oak Sports Complex Series 2008 Revenue Bonds that are dedicated for constructing additions and renovations in Livingston Recreation District No. 2.

Other Capital Outlay Fund - This fund is used to account for all capital outlay construction projects not accounted for in any other capital outlay fund.

Debt Service Funds

Health Unit Debt Service Sinking Fund - This fund accounts for the principal, interest, and related charges for the Livingston 2005 Bonds, the transfers from the Health Unit Fund, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

Jail Debt Service Sinking Fund - This fund accounts for the principal, interest and related charges for the Jail Bonds Series 2006, the transfers from the Jail Sales Tax Fund, and the accumulated restricted cash for the repayment of the bonds.

Library Debt Service Sinking Fund - This fund accounts for the principal, interest, and related charges for the Library Bonds, the ad valorem taxes collected, the unrestricted cash, the accumulated restricted cash for the repayment of the bonds, and the ad valorem receivable collectible at year end.

Live Oak Sports Complex Sinking Fund - This fund accounts for the principal, interest, and related charges for the Live Oak Sports Complex Series 2008 Revenue Bonds, the collection of payments from Livingston Recreation District #2 in accordance with a cooperative endeavor agreement between the Recreation District and the Council, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

Livingston Sinking Fund - This fund accounts for the principal, interest, and related charges for the Office of Motor Vehicles Projects Series 2009 Revenue Bonds, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

LIVINGSTON PARISH COUNCIL

Fund Descriptions (Continued)

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

Debt Service Funds (Continued)

North Park Sinking Fund - This fund accounts for the principal, interest, and related charges for the North Park Project Series 2008 Revenue Bonds, the collection of payments from Livingston Recreation District #3 in accordance with a cooperative endeavor agreement between the Recreation District and the Council, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

Sewer #2 Sinking Fund - This fund accounts for the principal, interest, and related charges for the Sewer #2 Revenue Bonds, Series 2009, the collection of payments from Livingston Sewerage District #2 in accordance with a cooperative endeavor agreement between the Sewerage District and the Council, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

Courthouse Sinking Fund - This fund accounts for the principal, interest, and related charges for the Courthouse Revenue Bonds, Series 2011, the transfers of funds from the Court Fee Special Revenue Fund, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

LIVINGSTON PARISH COUNCIL
Combining Balance Sheet -
Non-Major Governmental Funds
December 31, 2013

	Bingo Fund	Jury Mileage Fund	Off Duty Officer Witness Fund	Hazard Mitigation Fund	Office of Emergency Preparedness Tax Fund	Court Fee Special Revenue Fund	Public, Educational, and Governmental Access Fund	Parish Transportation Capital Project Fund	Live Oak Sports Complex Capital Project Fund
Assets									
Cash and Cash Equivalents	\$ 25,907	\$ 8,805	\$ 63,658	\$ -	\$ 404,755	\$ 317,621	\$ 7,014	\$ 1,174,290	\$ -
Receivables	2,233	-	-	-	391,099	-	27,093	-	-
Restricted Assets									
Cash	-	-	-	-	-	-	-	-	-
Due from Component Units	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	8,740	5,268	539,255	43,131	33,635	-	275,865	116,320
Total Assets	\$ 28,140	\$ 17,545	\$ 68,926	\$ 539,255	\$ 838,985	\$ 351,256	\$ 34,107	\$ 1,450,155	\$ 116,320
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ 10,529	\$ 1,142,039	\$ -	\$ 4,150	\$ -	\$ -
Overdraft Payable	-	-	-	193,903	-	-	-	-	-
Accrued Expenses Payable	-	1,290	-	-	22,335	-	-	-	-
Due to Component Units	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	8,385	21,801	-	-	-	-	-	116,320
Due to Other Funds	-	-	-	334,823	-	-	-	-	-
Total Liabilities	-	9,675	21,801	539,255	1,164,374	-	4,150	-	116,320
Fund Balances (Deficits)									
Restricted for:									
Construction	-	-	-	-	-	-	-	1,450,155	-
Criminal Court	-	7,870	-	-	-	-	-	-	-
Criminal Court Witness	-	-	47,125	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Assigned to:									
Bingo	28,140	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-
Court Fees	-	-	-	-	-	351,256	-	-	-
Other Purposes	-	-	-	-	-	-	29,957	-	-
Unassigned (Deficits)	-	-	-	-	(325,389)	-	-	-	-
Total Fund Balances (Deficits)	28,140	7,870	47,125	-	(325,389)	351,256	29,957	1,450,155	-
Total Liabilities and Fund Balances (Deficits)	\$ 28,140	\$ 17,545	\$ 68,926	\$ 539,255	\$ 838,985	\$ 351,256	\$ 34,107	\$ 1,450,155	\$ 116,320

Schedule 1

Other Capital Project Fund	Health Unit Debt Service Sinking Fund	Jail Debt Service Sinking Fund	Library Debt Service Sinking Fund	Live Oak Sports Complex Sinking Fund	Livingston Sinking Fund	North Park Sinking Fund	Sewer #2 Sinking Fund	Courthouse Sinking Fund	Total Non-Major Governmental Funds
\$ 84,940	\$ 326,370	\$ -	\$ 600,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,013,824
1,095	-	-	-	-	-	-	-	-	421,520
-	149,003	1,273,200	-	423,284	119,696	866,004	242,591	363,602	3,437,380
-	-	-	-	-	-	-	2,945	-	2,945
153,329	-	-	-	-	-	-	-	-	153,329
-	-	-	1,220,484	-	-	-	-	-	2,242,698
\$ 239,364	\$ 475,373	\$ 1,273,200	\$ 1,820,948	\$ 423,284	\$ 119,696	\$ 866,004	\$ 245,536	\$ 363,602	\$ 9,271,696
\$ 1,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,157,813
-	-	-	-	-	-	-	-	-	193,903
-	-	-	-	-	-	-	-	-	23,625
-	-	-	-	25,414	-	-	-	-	25,414
-	-	-	17,907	-	-	-	-	-	164,413
-	-	-	55,000	3,000	-	3,000	3,000	-	398,823
1,095	-	-	72,907	28,414	-	3,000	3,000	-	1,963,991
-	-	-	-	-	-	-	-	-	1,450,155
-	-	-	-	-	-	-	-	-	7,870
-	-	-	-	-	-	-	-	-	47,125
-	475,373	1,273,200	1,748,041	394,870	119,696	863,004	242,536	363,602	5,480,322
-	-	-	-	-	-	-	-	-	28,140
238,269	-	-	-	-	-	-	-	-	238,269
-	-	-	-	-	-	-	-	-	351,256
-	-	-	-	-	-	-	-	-	29,957
-	-	-	-	-	-	-	-	-	(325,389)
238,269	475,373	1,273,200	1,748,041	394,870	119,696	863,004	242,536	363,602	7,307,705
\$ 239,364	\$ 475,373	\$ 1,273,200	\$ 1,820,948	\$ 423,284	\$ 119,696	\$ 866,004	\$ 245,536	\$ 363,602	\$ 9,271,696

LIVINGSTON PARISH COUNCIL
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2013

	Bingo Fund	Jury Mileage Fund	Off Duty Officer Witness Fund	Hazard Mitigation Fund	Office of Emergency Preparedness Fund	Court Fee Special Revenue Fund	Public, Educational, and Governmental Access Fund	Parish Transportation Capital Outlay Fund	Live Oak Sports Complex Capital Outlay Fund
Revenues									
Taxes									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Taxes	-	-	-	-	-	-	106,085	-	-
Licenses and Permits	17,966	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	109,850	66,001	-	(38)	1,318,761	-	-	-
Intergovernmental Revenues									
Federal Sources	-	-	-	347,140	460,757	-	-	-	-
State and Local Sources	-	-	-	-	65,601	-	-	1,169,208	-
Miscellaneous	-	-	-	-	3,074	-	-	-	-
Use of Money and Property	-	-	-	-	6	363	54	-	-
Total Revenues	17,966	109,850	66,001	347,140	529,400	1,319,124	106,139	1,169,208	-
Expenditures									
Current Expenditures									
General Government	2,446	160,905	70,276	-	-	-	195,888	-	-
Public Safety	-	-	-	347,140	806,384	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Total Current Expenditures	2,446	160,905	70,276	347,140	806,384	-	195,888	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	3,500	-	-	-
Total Debt Service	-	-	-	-	-	3,500	-	-	-
Capital Outlay									
Public Safety	-	-	-	-	108,655	-	-	-	-
Total Capital Outlay	-	-	-	-	108,655	-	-	-	-
Total Expenditures	2,446	160,905	70,276	347,140	915,039	3,500	195,888	-	-
Excess (Deficiency) of Revenues Over Expenditures	15,520	(51,055)	(4,275)	-	(385,639)	1,315,624	(89,749)	1,169,208	-
Other Financing Sources (Uses)									
Transfers In	-	-	-	-	300,000	-	65,889	-	-
Transfers Out	(16,000)	(5,000)	(3,000)	-	(41,000)	(1,140,131)	-	-	-
Transfers from Component Units	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(16,000)	(5,000)	(3,000)	-	259,000	(1,140,131)	65,889	-	-
Net Change in Fund Balances	(480)	(56,055)	(7,275)	-	(126,639)	175,493	(23,860)	1,169,208	-
Fund Balances (Deficits), Beginning of Year	28,620	63,925	54,400	-	(198,750)	175,763	53,817	280,947	-
Fund Balances (Deficits), End of Year	\$ 28,140	\$ 7,870	\$ 47,125	\$ -	\$ (325,389)	\$ 351,256	\$ 29,957	\$ 1,450,155	\$ -

Schedule 2

Other Capital Outlay Fund	Health Unit Debt Service Sinking Fund	Jail Debt Service Sinking Fund	Library Debt Service Sinking Fund	Live Oak Sports Complex Sinking Fund	Livingston Sinking Fund	North Park Sinking Fund	Sewer #2 Sinking Fund	Courthouse Sinking Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 455,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,601
-	-	-	-	-	-	-	-	-	106,085
-	-	-	-	-	-	-	-	-	17,966
-	-	-	-	-	-	-	-	-	1,494,574
62,230	-	-	-	-	-	-	-	-	870,127
-	-	-	-	-	-	-	-	-	1,234,809
-	-	-	-	-	-	-	-	-	3,074
-	19	96	1,682	-	13	-	8	54	2,295
62,230	19	96	457,283	-	13	-	8	54	4,184,531
-	-	-	-	-	-	-	-	-	429,515
-	-	-	-	-	-	-	-	-	1,153,524
62,230	-	-	-	-	-	-	-	-	62,230
-	-	-	17,907	-	-	-	-	-	17,907
62,230	-	-	17,907	-	-	-	-	-	1,663,176
-	305,000	1,200,000	505,000	85,000	100,000	125,000	50,000	355,000	2,725,000
-	18,950	523,488	162,515	208,700	193,565	563,860	111,663	736,481	2,522,722
-	323,950	1,723,488	667,515	293,700	293,565	688,860	161,663	1,091,481	5,247,722
-	-	-	-	-	-	-	-	-	108,655
-	-	-	-	-	-	-	-	-	108,655
62,230	323,950	1,723,488	685,422	293,700	293,565	688,860	161,663	1,091,481	7,019,553
-	(323,931)	(1,723,392)	(228,139)	(293,700)	(293,552)	(688,860)	(161,655)	(1,091,427)	(2,835,022)
-	323,923	1,643,642	-	-	295,800	-	-	1,091,131	3,720,385
-	-	-	-	-	-	-	-	-	(1,205,131)
-	-	-	-	293,700	-	686,453	162,288	-	1,142,441
-	323,923	1,643,642	-	293,700	295,800	686,453	162,288	1,091,131	3,657,695
-	(8)	(79,750)	(228,139)	-	2,248	(2,407)	633	(296)	822,673
238,269	475,381	1,352,950	1,976,180	394,870	117,448	865,411	241,903	363,898	6,485,032
\$ 238,269	\$ 475,373	\$ 1,273,200	\$ 1,748,041	\$ 394,870	\$ 119,696	\$ 863,004	\$ 242,536	\$ 363,602	\$ 7,307,705

**LIVINGSTON PARISH COUNCIL
Schedule of Insurance in Force
For the Year Ended December 31, 2013**

Schedule 3

Issuer	Expiration Date	Coverage	Amount
Illinois Union Insurance Company	9/28/2014	Property	
		Blanket	\$ 39,960,948
		Earthquake	1,000,000
		Flood	1,000,000
Scottsdale Insurance Company	9/28/2014	Property (Excess) Blanket	5,000,000
Atain Specialty Insurance Company	12/22/2014	General Liability	1,000,000 /per occurrence 2,000,000 aggregate limit
One Beacon	9/28/2014	Auto liability Vehicles and equipment items	1,000,000
Crump	10/10/2014	Crime	
		Employee theft	250,000
		Forgery or alteration	250,000
		Inside the premises - theft of money/securities	25,000
		Inside the premises - robbery or safe burglary	25,000
		Outside the premises	25,000
		Computer fraud	250,000
		Money orders and counterfeit paper currency	25,000
Continental Casualty Company	9/28/2014	Boiler and Machinery	
		Equipment breakdown limit	40,065,948
		Expending expenses	250,000
		Business - income	100,000
		Spoilage damage	250,000
		Utility interruption	100,000
		Fungus, wet rot and dry rot	15,000
		Ordinance or law	500,000

LIVINGSTON PARISH COUNCIL
Schedule of Sewer Rates and
Number of Customers
For the Year Ended December 31, 2013

Schedule 4

Records maintained by the Livingston Parish Council indicated the number of residential and commercial users for sewer systems at December 31, 2013, were as follows:

Residential Customer Count	203	Commercial Customer Count	5
Flat Fee:	\$30	Flat Fee:	\$40



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**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**

Independent Auditor's Report

To the Honorable Parish President
and Members of the Parish Council
Livingston, Louisiana

We have audited, 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, the primary government financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison schedules of the major funds, and the aggregate remaining fund information of Livingston Parish Council (the Council), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated June 29, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 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.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, which are identified as items 2013 - 1, 2013 - 2, and 2013 - 3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013 - 4 and 2013 - 5.

Livingston Parish Council's Response to Findings

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 29, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Honorable Parish President
and Members of the Parish Council
Livingston Parish, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Livingston Parish Council's (the Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended December 31, 2013. The Council'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 of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Council'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 Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described as item 2013 - 6 in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

The Council's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Council 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 Council's internal control over compliance with 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 OMB Circular A-133, 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 Council'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 a combination of deficiencies, in internal control, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
June 29, 2014

LIVINGSTON PARISH COUNCIL

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2013

A. Summary of Auditor's Results

Financial Statements

1. The auditor's report expresses a qualified opinion on the Road Fund and an unmodified opinion on the remaining primary government financial statements of the Livingston Parish Council (the Council).
2. No material weaknesses relating to the audit of the financial statements of the Council were disclosed during the audit. Significant deficiencies were disclosed during the audit.
3. Instances of noncompliance material to the financial statements of the Council were disclosed during the audit.
4. A compliance finding relating to the audit of the major federal award programs is reported in the Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Council expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for the Council are reported in Part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Community Development Block Grant	14.228
Hazard Mitigation Grant Program	97.039
Homeland Security Grant Program	97.067

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Council was not determined to be a low-risk auditee.

LIVINGSTON PARISH COUNCIL

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2013

B. Findings and Questioned Costs Related to the Financial Statements

2013 - 1 Inventory

Criteria: The balance for inventory recorded on the trial balances used to prepare the financial statements should agree to the supporting documentation or inventory listing and inventory should not be added to a fund that has historically not included an inventory balance in the fund as required by current accounting standards.

Condition: In completing the auditing procedures on inventory, we noted discrepancies related to the inventory cycle which included differences between the inventory supporting schedules and the general ledger for the jail supplies inventory which required an audit adjustment at December 31, 2013. In addition, when testing the mathematical accuracy of the road materials inventory, we noted immaterial differences which did not require an audit adjustment at December 31, 2013.

Effect: The lack of timely and accurate reconciliations resulted in lack of management's ability to properly monitor the financial condition of the Council's finances. Also, there is a likelihood that an error or omission may occur in the financial statements as a result of not reconciling the accounting records timely and recording all accruals that meet the accounting requirements.

Recommendation: We recommend that management reconcile the inventory balances on a monthly basis and post adjusting journal entries as necessary.

Management's Response: In January of 2014, perpetual inventory software was purchased to eliminate the necessity of manual periodic inventory records.

2013 - 2 Documentation for Journal Entries

Criteria: Journal entries used to record adjustments for year-end accruals for financial statement preparation and for adjustments recorded in the general ledger throughout the year should include all supporting documentation; contain all general ledger accounts to balance the entry within each fund, and include an explanation as to why the adjustment is being recorded. Also, the adjustment should be signed by the person preparing the entry, the person approving the entry, and the person recording the entry to provide an audit trail of the authorization process and reflect compliance with internal control policies.

LIVINGSTON PARISH COUNCIL

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2013

Condition: During our current year audit, we noted at the conclusion of 2013 that management maintained appropriate documentation on journal entries recorded in the general ledger to indicate the purpose of the journal entry and that journal entries were approved by a supervisor. However, earlier in 2013, there was no process for maintaining appropriate documentation and approval of journal entries.

Effect: The lack of appropriate documentation maintained for journal entries resulted in management having to spend time to research the reasons for recording the entry and obtain the supporting details. In addition, without a formal system and approval process for journal entries, there was a risk that an error or omission may occur in the financial statements as a result of recording an entry incorrectly.

Recommendation: None.

Management's Response: In 2013, management has instituted procedures to maintain appropriate documentation for journal entries and for approval of journal entries

2013 - 3 Permits and Licenses

Criteria: Permit sales revenue should be reconciled to the general ledger monthly and include a complete listing of all permit transactions or licenses for the month. This is necessary to account for all of the licenses in the permit system and to document a complete record of transactions.

Condition: During the testing of permits and licenses, we noted that there were gaps in the sequence of numbers assigned to EMP permits.

Effect: Gaps in the sequence of numbers assigned to EMP permits may indicate the existence of errors in the documentation for permits.

Recommendation: We recommend that management consider purchasing software which would improve the accounting for permit revenue.

Management's Response: The Permit Department is exploring new software options that would be able to handle the permitting and reconciliation requirements.

LIVINGSTON PARISH COUNCIL

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2013

2013 -4 Incomplete or Inaccurate Listing of Streets for Road Transportation Act Expenditures

Criteria: The Parish Transportation Fund Act at LSA R.S. 48:751 through 48:762 requires for all parish governing authorities to adopt a 3-year prioritized project list. The projects are required to be prioritized such that critical needs are addressed first. In addition, the yearly plan should be updated and approved annually by the parish governing authority.

Condition: During our audit for the year ended December 31, 2013, we obtained the current 3 year prioritized project list from the Council. We tested board actions recorded in the minutes to the list and identified inaccuracies in the list.

Effect: The Council did not comply with all of the requirements of the Parish Transportation Act as outlined above. The failure to maintain a complete and accurate project listing could lead to work being performed on roads which does not comply with the prioritized ranking. In addition, there is the potential for work to be performed on roads which have been removed from the listing by the Council resulting from approved amendments.

Recommendation: We recommend the Council implement the necessary procedures to ensure that a complete and accurate project listing is maintained in accordance with the Parish Transportation Act. This should also include updating the project listing each time an amendment is adopted by the Council. In addition, we recommend the listing reflect when the road was added to the list and, if applicable, what Council resolutions affect each road.

Management's Response: Management will take this under advisement.

LIVINGSTON PARISH COUNCIL

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2013

2013 - 5 Failure to Amend Budget (LSA-R.S. 39:1310)

Criteria: The Council is required to follow the requirements of the Louisiana Local Government Budget Act at LSA R.S. 39:1301 through 39:1315.

Condition: State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more. See Note 24 to the financial statements for a complete list of unfavorable budget variances that exceed the 5% variance required by state law. Also, two Parish funds had fund deficits at December 31, 2013. The Jail Sales Tax Fund budgeted a deficit which is also a violation of LSA R.S. 39:1301 through 39:1315.

Effect: The Council did not comply with all of the requirements of the Louisiana Local Government Budget Act as outlined above.

Recommendation: We recommend the monitoring of actual costs accumulated by department and fund more closely and making appropriate budget amendments to comply with the law requiring the budget to actual variance to be within 5%. We further recommend that the Council be provided a budgetary report that contains actual balances as of the date of the report including a column showing the variance between the actual and budgetary balances to assist with identifying unfavorable budget variances.

Additionally, the Parish should review the funds with fund balance deficits and develop a funding plan for the elimination of those deficits.

Management's Response: Management will take this under advisement.

LIVINGSTON PARISH COUNCIL

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

C. Findings and Questioned Costs Related to Major Federal Programs

2013 - 6 Reporting Compliance for Hazard Mitigation Grant Program (97.039)

Criteria: Under the Hazard Mitigation Grant Program (HMGP), recipients are required to submit quarterly narrative reports as required by 44 CFR 206.438(c).

Condition: During the testing of the HMGP, we noted that two quarterly reports were signed by the grant consultant. Of these, one was accompanied by an email from management approving the report. In addition, we noted that the two quarterly reports in the grant file did not include the second page of the report.

Effect: Inadequate controls and approval of HMGP quarterly reports.

Recommendation: We recommend that management institute procedures to ensure that quarterly reports are approved by management and that the second pages of reports are retained in the grant file.

Management's Response: Quarterly reports will be filed and maintained by the parish electronically with a hard copy in the file.

LIVINGSTON PARISH COUNCIL
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Schedule 5

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Expenditures
United States Department of Housing and Urban Development			
Passed through the Louisiana Office of Community Development			
CDBG - State-Administered CDBG Cluster			
Community Development Block Grant -			
Comprehensive Resiliency [1]	14.228		\$ 47,110
2011 Gravesbriar Sewer Improvements	14.228		550,188
Gustav/Ike Recovery [1]	14.228		2,834,262
Katrina/Rita Master Plan [1]	14.228		224,247
Passed through Louisiana Office of Community Services			
ARRA - Homeless Prevention & Rapid Re-Housing	14.257	370-001847	<u>33,442</u>
Total United States Department of Housing and Urban Development			<u>3,689,249</u>
United States Department of the Interior			
Bureau of Ocean Energy Management, Regulation and Enforcement			
Gulf of Mexico Energy Security Act of 2006 - ARRA	15.435		933
Fish and Wildlife Service			
Bald Cypress/Tupelo Forest - Second Land Purchase	15.668		62,230
Hydrologic Restoration	15.668	F12AF70245	100,191
Passed through Louisiana Department of Culture, Recreation and Tourism, Office of Cultural Development			
National Park System - FY 2013 - 2014 Historic Preservation	15.904		<u>500</u>
Total United States Department of the Interior			<u>163,854</u>
United States Department of Transportation			
Passed through Louisiana Department of Transportation and Development			
Highway Planning and Construction Cluster			
Safe Routes to School - South Walker Road [2]	20.205		13,016
Eden Church Road Improvements [2]	20.205		119,187
Council on Aging Grant	20.509		217,588
Local Technical Assistance Program			
LP Railroad Safety Improvements	20.607		<u>14,557</u>
Total United States Department of Transportation			<u>364,348</u>
United States Department of Energy			
Energy Efficient and Conservation Block Grant - ARRA	81.128	DE-SC0003000	<u>8,701</u>
Total United States Department of Energy			<u>8,701</u>

See accompanying notes to schedule of expenditures of federal awards.

LIVINGSTON PARISH COUNCIL
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Schedule 5
(Continued)

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Expenditures
United States Department of Homeland Security / Federal Emergency Management Agency			
Passed through Governor's Office of Homeland Security and Emergency Preparedness			
Public Assistance Grant - January Flood Event	97.036		278,103
Hazard Mitigation Grant Program:			
Hazard Mitigation Grant Program Middle Colyell	97.039	1603-063-0007	9,124
Hazard Mitigation Grant Program Elevation	97.039	1603-063-0003	97,516
Hazard Mitigation Grant Program Pilot Reconstruction	97.039	1603-063-0001	218,775
Hazard Mitigation Grant Program State Generator Project	97.039	1603-DR-LA-0079	21,326
Emergency Management Performance Grant:			
Emergency Management Performance Grant 2011	97.042	EMW-2011-EP-0058	935
Emergency Management Performance Grant 2012	97.042		74,387
Interoperable Emergency Communications Grant	97.042		8,688
Homeland Security Cluster:			
Urban Area Security Initiative (UASI) [3]	97.067	2010-SS-TO-0043	167,516
State Homeland Security Program (SHSP) [3]	97.067		59,744
State Homeland Security Program (SHSP) [3]	97.067		114,555
State Homeland Security Program (SHSP) [3]	97.067		16,875
Citizen Corps Program (CCP) [3]	97.067		<u>4,806</u>
Total United States Department of Homeland Security / Federal Emergency Management Agency			<u>1,072,350</u>
Total Expenditures of Federal Awards			<u>\$ 5,298,502</u>

- [1] CDBG - State Administered CDBG Cluster
[2] Highway Planning and Construction Cluster
[3] Homeland Security Cluster

* These amounts do not include amounts from FEMA that are currently being contested and/or prior year amounts released by FEMA in 2011 that are being contested concerning the debris removal costs from Hurricane Gustav.

See accompanying notes to schedule of expenditures of federal awards.

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the grant activity of Livingston Parish Council and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *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 basic financial statements.

Sub-Recipients

Livingston Parish Council provided federal awards to the following sub-recipients:

- \$32,009 to Women Outreaching Women Shelter on CFDA number 14.257.
- \$217,588 to Livingston Parish Council on Aging on CFDA number 20.509.

LIVINGSTON PARISH COUNCIL

**Schedule of Prior Year Findings
For the Year Ended December 31, 2013**

**2012 - 1 Lack of Preparation of Financial Statements Reconciliations, Review Thereof,
and Preparation for Audit**

Status: This finding has been resolved.

2012 - 2 Bank Reconciliation and Cash Audit Adjustments

Status: This finding has been resolved.

2012 - 3 Accounts Payable and Accounts Receivable Aging

Status: This finding has been resolved.

2012 - 4 Inventory

Status: This finding has not been resolved. See current year finding 2013 - 1 in the accompanying Schedule of Findings and Questioned Costs.

2012 - 5 Expenditure Approval and Coding

Status: This finding has been resolved.

2012 - 6 Segregation of Duties

Status: This finding has been resolved.

2012 - 7 Documentation for Journal Entries and Financial Statement Closing Process

Status: This finding has been partially resolved. See finding 2013 - 2 in the accompanying Schedule of Findings and Questioned Costs.

2012 - 8 Monthly Revenue and Expenditure Reports

Status: This finding has been resolved.

2012 - 9 Errors with Capital Asset Schedules

Status: This finding has been resolved.

LIVINGSTON PARISH COUNCIL

**Schedule of Prior Year Findings
For the Year Ended December 31, 2013**

2012 - 10 Failure to Reconcile Capital Project Activities

Status: This finding has been resolved.

2012 - 11 Permits and Licenses

Status: This finding has not been resolved. See current year finding 2013 - 3 in the accompanying Schedule of Findings and Questioned Costs.

2012 - 12 Utility Services Penalties for Non-Payment of Billings Not Being Collected

Status: This finding has been resolved.

2012 - 13 Costs of Issuance, Premiums and Discounts on Bonds and Accounting for Advanced Refunding on Bond

Status: This finding has been resolved.

2012 - 14 Incomplete or Inaccurate Listing of Streets for Road Transportation Act Expenditures

Status: This finding has not been resolved. See current year finding 2013 - 4 in the accompanying Schedule of Findings and Questioned Costs.

2012 - 15 Failure to Amend Budget (LSA-R.S. 39:1310)

Status: This finding has not been resolved. See current year finding 2013 - 5 in the accompanying Schedule of Findings and Questioned Costs.

2012 - 16 Criminal Court Witness Fund and Compliance with LSA R.S. 15:255H

Status: This finding has been resolved.

2012 - 17 Grant Administration (All Grants)

Status: This finding has been resolved.

LIVINGSTON PARISH COUNCIL

**Schedule of Prior Year Findings
For the Year Ended December 31, 2013**

2012 - 18 Schedule of Expenditure of Federal Awards (SEFA)

Status: This finding has been resolved.

2012 - 19 Grant Policies and Procedures Related to Procurement (All Grants)

Status: This finding has been resolved.

2012 - 20 Grant Policies and Procedures Related to Approval of Expenditures (All Grants)

Status: This finding has been resolved.

2012 - 21 Expenditures Recorded to Improper Account Type and Basis of Accounting Used (All Grants)

Status: This finding has been resolved.

2012 - 22 Council on Aging (CFDA 20.509) Lack of Monitoring of Sub-Recipients

Status: This finding has been resolved.

2012 - 23 Reporting Compliance for Hazard Mitigation Grant Program (CFDA 97.039)

Status: This finding has been partially resolved. See finding 2013 - 6 in the accompanying Schedule of Findings and Questioned Costs.

2012 - 24 Cash Management for Hazard Mitigation Grant Program (CFDA 97.039)

Status: This finding has been resolved.

2012 - 25 Cash Management for Highway Planning and Construction Cluster - Eden Church Road Improvements (CFDA 20.509)

Status: This finding has been resolved.

LIVINGSTON PARISH COUNCIL

**Schedule of Prior Year Findings
For the Year Ended December 31, 2013**

2012 - 26 Allowable Cost Compliance Requirement for Disaster Grants - Public Assistance (CFDA 97.036) - Hurricane Isaac

Status: This finding has been resolved.

2012 - 27 Matching Compliance Requirement for Renewable Energy Research and Development Grant (CFDA 81.087)

Status: This finding has been resolved.

2012 - 28 Earmarking of Homeland Security Grant Program Cluster (97.067)

Status: This finding has been resolved.

2012 - 29 Program Income for Community Development Block Grant Cluster-Road Home Grant (CFDA 14.228)

Status: This finding has been resolved.

2012 - 30 Special Provisions for Community Development Block Grant Cluster (CFDA 14.228)

Status: This finding has been resolved.