

**LIVINGSTON PARISH COUNCIL  
LIVINGSTON, LOUISIANA**

Audit of Financial Statements

December 31, 2017



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## **Independent Auditor's Report**

To the Honorable Parish President  
and Members of the Livingston 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 Livingston Parish Council (the Council), as of and for the year ended December 31, 2017, 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 Council'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 Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

The financial statements referred to above do not include financial data for the 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.

### **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 Livingston Parish Council, as of December 31, 2017, or the changes in financial position thereof 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 major funds; and the aggregate remaining fund information of the primary government of Livingston Parish Council as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Health Unit Special Revenue Fund, Jail Sales Tax Special Revenue Fund, Road Special Revenue Fund, and Office of Emergency Preparedness 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 5, and the supplementary schedules required by Governmental Accounting Standards Board Statement No. 68 on pages 83 and 84 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 5 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also 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 25, 2018, 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 Livingston Parish Council's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
June 25, 2018

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

# LIVINGSTON PARISH COUNCIL

## Management's Discussion and Analysis

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### 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 13 of this report.

### Financial Highlights

- At December 31, 2017, the Council's assets exceeded its liabilities by \$102,713,259 (net position). Of this amount, \$63,754,021 is net investment in capital assets; \$1,369,395 is restricted for construction; \$7,619,580 is restricted to meet the Council's ongoing obligations to its citizens for debt service; \$62,781 is restricted for the criminal court; and \$101,811 is restricted for grant expenses, leaving an unrestricted surplus of \$29,805,671.
- At December 31, 2017, the Council's governmental funds reported a combined ending fund balance of \$37,888,258. Of this amount, 3.6%, or \$1,369,395, is restricted for construction and 20.1%, or \$7,619,580, is restricted for debt service; 0.9%, or \$328,060, is nonspendable for inventory and prepaid expenses; 9.8%, or \$3,731,708, is nonspendable for advances; .3%, or \$101,811, is restricted for grant expenditures; 18.4%, or \$6,962,707, is assigned to Health Unit Fund expenditures; 40%, or \$15,157,684, is assigned to Road Fund expenditures; 0.2%, or \$62,781, is restricted for the criminal court and 4.9%, or \$1,875,156, is assigned to court fees, while .5%, or \$178,204, is assigned or committed to various other purposes; and \$501,172 is an unassigned 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

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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 Utility Enterprise Fund are reported in this section.

The government-wide financial statements include only Livingston Parish Council (no component units of Livingston Parish Council are included) and can be found on pages 13 and 14 of this report.

#### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 16 through 26 of this report.

# LIVINGSTON PARISH COUNCIL

## Management's Discussion and Analysis

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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 27 through 30 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 32 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 13 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and Other Assets	\$ 43,606,678	\$ 47,891,755	\$ 302,070	\$ 690,688	\$ 43,908,748	\$ 48,582,443
Capital Assets	119,638,020	126,805,390	6,708,440	6,762,693	126,346,460	133,568,083
Total Assets	163,244,698	174,697,145	7,010,510	7,453,381	170,255,208	182,150,526
Deferred Outflows of Resources	5,114,501	6,047,170	-	-	5,114,501	6,047,170
Total Assets and Deferred Outflows of Resources	168,359,199	180,744,315	7,010,510	7,453,381	175,369,709	188,197,696
<b>Liabilities</b>						
Current Liabilities	12,649,074	23,852,122	88,208	78,412	12,737,282	23,930,534
Other Liabilities	57,519,397	63,832,831	2,184,508	2,248,557	59,703,905	66,081,388
Total Liabilities	70,168,471	87,684,953	2,272,716	2,326,969	72,441,187	90,011,922
Deferred Inflows of Resources	215,263	203,332	-	-	215,263	203,332
Total Liabilities and Deferred Inflows of Resources	70,383,734	87,888,285	2,272,716	2,326,969	72,656,450	90,215,254
<b>Net Position</b>						
Net Investment in Capital Assets	59,289,435	56,916,326	4,464,586	4,457,028	63,754,021	61,373,354
Restricted	9,153,567	8,337,638	-	-	9,153,567	8,337,638
Unrestricted	29,532,463	27,602,066	273,208	669,384	29,805,671	28,271,450
Total Net Position	\$ 97,975,465	\$ 92,856,030	\$ 4,737,794	\$ 5,126,412	\$ 102,713,259	\$ 97,982,442

# LIVINGSTON PARISH COUNCIL

## Management's Discussion and Analysis

A condensed version of the government-wide statement of activities is presented as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 3,847,854	\$ 2,910,464	\$ 181,775	\$ 162,496	\$ 4,029,629	\$ 3,072,960
Operating Grants and Contributions	12,307,717	25,043,216	-	-	12,307,717	25,043,216
Capital Grants and Contributions	267,198	1,722,414	123,514	-	390,712	1,722,414
General Revenues						
Taxes	27,571,804	26,651,564	-	-	27,571,804	26,651,564
Royalties	1,971,050	2,414,580	-	-	1,971,050	2,414,580
Miscellaneous	466,702	465,315	-	-	466,702	465,315
Use of Money and Property	278,402	113,259	3,894	1,454	282,296	114,713
<b>Total Revenues</b>	<b>46,710,727</b>	<b>59,320,812</b>	<b>309,183</b>	<b>163,950</b>	<b>47,019,910</b>	<b>59,484,762</b>
<b>Expenses</b>						
General Government	6,918,616	6,850,751	-	-	6,918,616	6,850,751
Public Safety	12,511,390	23,929,969	-	-	12,511,390	23,929,969
Public Works	17,379,157	22,804,449	-	-	17,379,157	22,804,449
Health and Welfare	1,426,088	1,393,474	-	-	1,426,088	1,393,474
Culture and Recreation	659,333	629,818	-	-	659,333	629,818
Economic Development	127,000	77,500	-	-	127,000	77,500
Water and Sewer	-	-	697,801	630,938	697,801	630,938
Debt Service Interest and Fees	2,569,708	2,530,355	-	-	2,569,708	2,530,355
<b>Total Expenses</b>	<b>41,591,292</b>	<b>58,216,316</b>	<b>697,801</b>	<b>630,938</b>	<b>42,289,093</b>	<b>58,847,254</b>
<b>Transfers</b>						
Interfund Transfers	-	(450,000)	-	450,000	-	-
<b>Total Transfers</b>	<b>-</b>	<b>(450,000)</b>	<b>-</b>	<b>450,000</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>5,119,435</b>	<b>654,496</b>	<b>(388,618)</b>	<b>(16,988)</b>	<b>4,730,817</b>	<b>637,508</b>
<b>Net Position, Beginning of Year,</b>	<b>92,856,030</b>	<b>92,201,534</b>	<b>5,126,412</b>	<b>5,143,400</b>	<b>97,982,442</b>	<b>97,344,934</b>
<b>Net Position, End of Year</b>	<b>\$ 97,975,465</b>	<b>\$ 92,856,030</b>	<b>\$ 4,737,794</b>	<b>\$ 5,126,412</b>	<b>\$ 102,713,259</b>	<b>\$ 97,982,442</b>

Approximately 59% 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.

## LIVINGSTON PARISH COUNCIL

### Management's Discussion and Analysis

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Approximately 5% 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 outlay projects and debt service. Approximately 36% 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.

In order to further understand what makes up the changes in net position, see the statement of activities on page 14 of this report.

The statement of activities reflects Livingston Parish Council's revenues and expenses by program. A summary follows:

General Revenues		
Taxes	\$ 27,571,804	90%
Royalties	1,971,050	7%
Miscellaneous	466,702	2%
Use of Money and Property	282,296	1%
<b>Total</b>	<b>\$ 30,291,852</b>	<b>100%</b>

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

General Government	\$ 6,918,616	17%
Public Safety	12,511,390	30%
Public Works	17,379,157	42%
Health and Welfare	1,426,088	3%
Culture and Recreation	659,333	2%
Economic Development	127,000	0%
Debt Service Interest and Fees	2,569,708	6%
<b>Total</b>	<b>\$ 41,591,292</b>	<b>100%</b>

There are \$41.5 million in total expenses for governmental activities and about \$.7 million in business-type activities from sewer and water services. Public works expenses account for \$17 million, or 42%, which is related to the construction and maintenance of parish-wide roads, bridges, and related drainage. Public safety expenses account for \$12.5 million, or 30%, which is related to the operation of the Livingston Parish Jail and the Office of Homeland Security and Emergency Preparedness. General government expenses account for \$6.9 million, or 17%, which is related to overall council government and the judicial system. After public works, public safety, and general government, debt service interest and fees is the largest governmental expense, and will remain so for at least ten years. This accounts for \$2.6 million, or 6% of total governmental activities. Other expenses, including health and welfare, culture and recreation, and economic development, totaled \$2.2 million, or 5% of total expenses.

## LIVINGSTON PARISH COUNCIL

### Management's Discussion and Analysis

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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 16 through 26 of this report.

At the end of the current year, the Council's governmental funds reported a combined ending fund balance of \$37,888,258. This represents an increase of \$9,546,596 from the prior year's ending balance. This increase is largely due to delays in the prior year in the collection of ad valorem taxes as a result of the impacts of the August 2016 flood.

Within governmental funds, there are intra-fund appropriations called transfers. These amounts are reported on the governmental funds in the 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 Livingston Parish Jail. 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 \$3.7 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, with the exception of the General Fund, the Health Unit Fund, and the Office of Emergency Preparedness Fund, as detailed in Note 27.

#### **Capital Assets and Debt Administration**

##### ***Capital Assets***

The Council's investment in capital assets as of December 31, 2017 amounted to \$119,638,020 (net of depreciation) for its governmental activities and \$6,708,440 (net of depreciation) for its business-type activities.

## LIVINGSTON PARISH COUNCIL

### Management's Discussion and Analysis

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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.

	2017	2016
Land	\$ 6,600,720	\$ 6,164,832
Buildings	58,192,849	60,018,872
Recreational Facilities	3,124,030	3,217,986
Improvements/Infrastructure	41,361,055	50,809,623
Machinery and Equipment	1,267,046	1,325,860
Furniture and Fixtures	199,775	236,464
Sewer System	1,317,553	1,459,302
Construction in Progress	7,574,992	3,572,451
<b>Total</b>	<b>\$ 119,638,020</b>	<b>\$ 126,805,390</b>

#### ***Long-Term Debt***

At December 31, 2017, the Council had total debt outstanding of \$67,603,066. Of this total, \$7,834,461 is due within one year and \$57,519,397 is due after one year for its governmental activities and \$64,700 is due within one year and \$2,184,508 is due after one year for its business-type activities.

#### **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, 2017**

**Statement A**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 17,900,055	\$ 166,251	\$ 18,066,306
Investments	3,459,041	-	3,459,041
Receivables, Net of Allowance	602,769	22,292	625,061
Inventory	193,215	-	193,215
Internal Balances	22,383	(22,383)	-
Due from Other Governments	12,672,320	-	12,672,320
Due from Component Unit	116,829	-	116,829
Unamortized Bond Insurance Premiums	231,702	-	231,702
Prepaid Items	439,899	2,821	442,720
Restricted Cash	7,968,465	133,089	8,101,554
Capital Assets			
Non-Depreciable	14,175,712	16,617	14,192,329
Depreciable, Net	105,462,308	6,691,823	112,154,131
<b>Total Assets</b>	<b>163,244,698</b>	<b>7,010,510</b>	<b>170,255,208</b>
<b>Deferred Outflows of Resources</b>			
Deferred Amount on Refunding of Debt	3,792,295	-	3,792,295
Deferred Outflows on Pension Obligation	1,322,206	-	1,322,206
<b>Total Deferred Outflows of Resources</b>	<b>5,114,501</b>	<b>-</b>	<b>5,114,501</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	2,927,838	22,331	2,950,169
Due to Other Governments	650,348	-	650,348
Due to Component Units	433,236	-	433,236
Unearned Revenue	19,700	-	19,700
Accrued Bond Interest Payable	783,491	1,177	784,668
Non-Current Liabilities			
Due Within One Year	7,834,461	64,700	7,899,161
Due in More than One Year	57,519,397	2,184,508	59,703,905
<b>Total Liabilities</b>	<b>70,168,471</b>	<b>2,272,716</b>	<b>72,441,187</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows on Pension Obligation	215,263	-	215,263
<b>Total Deferred Inflows of Resources</b>	<b>215,263</b>	<b>-</b>	<b>215,263</b>
<b>Net Position</b>			
Net Investment in Capital Assets	59,289,435	4,464,586	63,754,021
Restricted for:			
Construction	1,369,395	-	1,369,395
Criminal Court	62,781	-	62,781
Debt Service	7,619,580	-	7,619,580
Grant	101,811	-	101,811
Unrestricted	29,532,463	273,208	29,805,671
<b>Total Net Position</b>	<b>\$ 97,975,465</b>	<b>\$ 4,737,794</b>	<b>\$ 102,713,259</b>

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

**LIVINGSTON PARISH COUNCIL**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

**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	
<b>Governmental Activities</b>							
General Government	\$ 6,918,616	\$ 2,358,683	\$ 1,078,891	\$ 247,345	\$ (3,233,697)	\$ -	\$ (3,233,697)
Public Safety	12,511,390	1,454,065	7,517,031	19,853	(3,520,441)	-	(3,520,441)
Public Works	17,379,157	4,546	2,433,128	-	(14,941,483)	-	(14,941,483)
Health and Welfare	1,426,088	30,560	274,791	-	(1,120,737)	-	(1,120,737)
Culture and Recreation	659,333	-	-	-	(659,333)	-	(659,333)
Economic Development	127,000	-	-	-	(127,000)	-	(127,000)
Debt Service Interest and Fees	2,569,708	-	1,003,876	-	(1,565,832)	-	(1,565,832)
<b>Total Governmental Activities</b>	<b>41,591,292</b>	<b>3,847,854</b>	<b>12,307,717</b>	<b>267,198</b>	<b>(25,168,523)</b>	<b>-</b>	<b>(25,168,523)</b>
<b>Business-Type Activities</b>							
Utilities - Water and Sewer	697,801	181,775	-	123,514	-	(392,512)	(392,512)
<b>Total Business-Type Activities</b>	<b>697,801</b>	<b>181,775</b>	<b>-</b>	<b>123,514</b>	<b>-</b>	<b>(392,512)</b>	<b>(392,512)</b>
<b>Total</b>	<b>\$ 42,289,093</b>	<b>\$ 4,029,629</b>	<b>\$ 12,307,717</b>	<b>\$ 390,712</b>	<b>(25,168,523)</b>	<b>(392,512)</b>	<b>(25,561,035)</b>
<b>General Revenues</b>							
Taxes							
Ad Valorem Taxes					5,860,879	-	5,860,879
Sales Taxes					19,371,256	-	19,371,256
Franchise Taxes					1,274,599	-	1,274,599
Occupational					1,065,070	-	1,065,070
Royalties					1,971,050	-	1,971,050
Miscellaneous					466,702	-	466,702
Use of Money and Property					278,402	3,894	282,296
<b>Total General Revenues and Transfers</b>					<b>30,287,958</b>	<b>3,894</b>	<b>30,291,852</b>
<b>Change in Net Position</b>					<b>5,119,435</b>	<b>(388,618)</b>	<b>4,730,817</b>
<b>Net Position, Beginning of Year</b>					<b>92,856,030</b>	<b>5,126,412</b>	<b>97,982,442</b>
<b>Net Position, End of Year</b>					<b>\$ 97,975,465</b>	<b>\$ 4,737,794</b>	<b>\$ 102,713,259</b>

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, 2017**

	General Fund	Health Unit Fund	Jail Sales Tax Fund	Road Fund
<b>Assets</b>				
Cash and Cash Equivalents	\$ 377,967	\$ -	\$ -	\$ 500
Pooled Cash in Other Funds	4,404,716	3,143,794	-	10,635,496
Investments	72,300	3,113,953	-	272,788
Receivables, Net of Allowance	439,999	-	-	6,895
Restricted Cash	101,811	-	-	-
Inventory	-	-	23,205	170,010
Prepaid Expenses	42,076	9,887	7,010	71,962
Due from Component Unit	-	-	-	-
Due from Other Funds	4,026,470	-	-	1,388,509
Due from Other Governments	1,459,952	1,041,969	890,201	4,834,029
Advance to Jail Sales Tax Fund	3,431,708	300,000	-	-
<b>Total Assets</b>	<b>\$ 14,356,999</b>	<b>\$ 7,609,603</b>	<b>\$ 920,416</b>	<b>\$ 17,380,189</b>
<b>Liabilities and Fund Balances (Deficits)</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 174,671	\$ 11,490	\$ 212,100	\$ 258,915
Deficit in Pooled Cash	-	-	2,546,358	-
Accrued Expenses Payable	261,350	48,170	39,753	242,838
Due to Component Units	284,261	-	-	-
Due to Other Governments	188,556	49,800	76,356	175,346
Due to Other Funds	837,948	227,549	2,624,842	1,303,434
Unearned Revenue	19,700	-	-	-
Advance from Other Funds	-	-	3,731,708	-
<b>Total Liabilities</b>	<b>1,766,486</b>	<b>337,009</b>	<b>9,231,117</b>	<b>1,980,533</b>
<b>Fund Balances (Deficits)</b>				
<b>Nonspendable</b>				
Inventory	-	-	23,205	170,010
Prepaid Expenses	42,076	9,887	7,010	71,962
Advances	3,431,708	300,000	-	-
<b>Restricted for:</b>				
Construction	-	-	-	-
Criminal Court	-	-	-	-
Criminal Court Witness	-	-	-	-
Debt Service	-	-	-	-
Grant Expenditures	101,811	-	-	-
<b>Committed for:</b>				
Federal Grant Programs	13,980	-	-	-
<b>Assigned to:</b>				
Bingo	-	-	-	-
Court Fees	-	-	-	-
Health Unit	-	6,962,707	-	-
Road	-	-	-	15,157,684
Other Purposes	-	-	-	-
Unassigned	9,000,938	-	(8,340,916)	-
<b>Total Fund Balances (Deficits)</b>	<b>12,590,513</b>	<b>7,272,594</b>	<b>(8,310,701)</b>	<b>15,399,656</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 14,356,999</b>	<b>\$ 7,609,603</b>	<b>\$ 920,416</b>	<b>\$ 17,380,189</b>

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

Statement C

Office of Emergency Preparedness Fund	Road 06 Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 234,268	\$ -	\$ 1,787,794	\$ 2,400,529
(160,577)	-	1,676,835	19,700,264
-	-	-	3,459,041
77,631	-	78,244	602,769
-	3,565,190	4,301,464	7,968,465
-	-	-	193,215
3,910	-	-	134,845
-	-	116,829	116,829
-	-	-	5,414,979
502,958	-	2,792,669	11,521,778
-	-	-	3,731,708
<b>\$ 658,190</b>	<b>\$ 3,565,190</b>	<b>\$ 10,753,835</b>	<b>\$ 55,244,422</b>
\$ 810,844	\$ -	\$ 832,575	\$ 2,300,595
6,950	-	1,647,430	4,200,738
35,128	-	4	627,243
-	-	148,975	433,236
-	-	160,290	650,348
-	-	398,823	5,392,596
-	-	-	19,700
-	-	-	3,731,708
<b>852,922</b>	<b>-</b>	<b>3,188,097</b>	<b>17,356,164</b>
-	-	-	193,215
3,910	-	-	134,845
-	-	-	3,731,708
-	-	1,369,395	1,369,395
-	-	32,029	32,029
-	-	30,752	30,752
-	3,565,190	4,054,390	7,619,580
-	-	-	101,811
-	-	-	13,980
-	-	15,520	15,520
-	-	1,875,156	1,875,156
-	-	-	6,962,707
-	-	-	15,157,684
-	-	148,704	148,704
(198,642)	-	39,792	501,172
<b>(194,732)</b>	<b>3,565,190</b>	<b>7,565,738</b>	<b>37,888,258</b>
<b>\$ 658,190</b>	<b>\$ 3,565,190</b>	<b>\$ 10,753,835</b>	<b>\$ 55,244,422</b>

**LIVINGSTON PARISH COUNCIL**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Statement of Net Position**  
**December 31, 2017**

**Statement D**

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**Fund Balances - Total Governmental Funds** \$ 37,888,258

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	\$ 257,438,059	
Less: Accumulated Depreciation	<u>(137,800,039)</u>	
		119,638,020

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

Unamortized Bond Insurance Premiums	231,702	
Prepaid Insurance	<u>305,054</u>	
		536,756

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	757,900	
Louisiana Revenue Sharing	<u>392,642</u>	
		1,150,542

The Council follows the requirements of GASB Statement No. 68 which provides for the recognition of pension obligations. This includes the recognition of related deferred outflows and inflows.

	<u>1,106,943</u>	1,106,943
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Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds and Leases Payable	(62,874,139)	
Accrued Interest Payable on Bonds	(783,490)	
Net Unamortized Bond (Premiums) Paid or Discounts Withheld	(1,266,742)	
Deferred Amount on Refunding of Debt	3,792,295	
Net Pension Liability	(753,491)	
Compensated Absences Payable	<u>(459,487)</u>	
		<u>(62,345,054)</u>

<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 97,975,465</u></u></b>
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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, 2017**

	General Fund	Health Unit Fund	Jail Sales Tax Fund	Road Fund
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 1,640,619	\$ 2,029,180	\$ -	\$ 4,055,587
Sales Taxes	-	-	4,842,814	14,528,442
Franchise Taxes	1,156,965	-	-	-
Occupational	1,065,070	-	-	-
Royalties	1,971,050	-	-	-
Licenses and Permits	1,466,763	30,560	-	-
Fines and Forfeitures	17,612	-	44,935	-
Fees and Commissions	646,962	-	-	4,546
Intergovernmental Revenues				
Federal Sources	1,217,183	27,107	20,149	182,519
State and Local Sources	1,059,952	35,023	-	1,235,473
Miscellaneous	125,304	17,431	844	30,460
Use of Money and Property	198,829	34,323	-	9,171
<b>Total Revenues</b>	<b>10,566,309</b>	<b>2,173,624</b>	<b>4,908,742</b>	<b>20,046,198</b>
<b>Expenditures</b>				
Current				
General Government	5,188,002	-	-	-
Public Safety	1,597,577	-	3,385,498	-
Public Works	72,854	-	-	6,931,937
Health and Welfare	233,544	1,016,912	-	-
Culture and Recreation	-	-	-	-
Economic Development	127,000	-	-	-
Total Current	7,218,977	1,016,912	3,385,498	6,931,937
Debt Service				
Bond Issuance Costs	-	-	-	-
Principal	-	-	-	95,535
Interest and Fees	8,000	-	4,000	8,375
Total Debt Service	8,000	-	4,000	103,910
Capital Outlay				
General Government	1,057,821	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	1,987,797
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Total Capital Outlay	1,057,821	-	-	1,987,797
<b>Total Expenditures</b>	<b>8,284,798</b>	<b>1,016,912</b>	<b>3,389,498</b>	<b>9,023,644</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,281,511</b>	<b>1,156,712</b>	<b>1,519,244</b>	<b>11,022,554</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,783,500	-	-	-
Transfers Out	(1,743,813)	(140,000)	(1,859,319)	(5,201,983)
Transfers from Component Units	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Premium Received on Bonds Issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>39,687</b>	<b>(140,000)</b>	<b>(1,859,319)</b>	<b>(5,201,983)</b>
<b>Net Change in Fund Balances</b>	<b>2,321,198</b>	<b>1,016,712</b>	<b>(340,075)</b>	<b>5,820,571</b>
<b>Fund Balances (Deficits), Beginning of Year</b>	<b>10,269,315</b>	<b>6,255,882</b>	<b>(7,970,626)</b>	<b>9,579,085</b>
<b>Fund Balances (Deficits), End of Year</b>	<b>\$ 12,590,513</b>	<b>\$ 7,272,594</b>	<b>\$ (8,310,701)</b>	<b>\$ 15,399,656</b>

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

Statement E

Office of Emergency Preparedness Fund	Road 06 Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 643,058	\$ 8,368,444
-	-	-	19,371,256
-	-	117,634	1,274,599
-	-	-	1,065,070
-	-	-	1,971,050
-	-	16,901	1,514,224
-	-	1,619,575	1,682,122
-	-	-	651,508
4,140,159	-	2,537,331	8,124,448
21,904	-	1,015,136	3,367,488
65,619	-	114	239,772
-	9,023	27,056	278,402
4,227,682	9,023	5,976,805	47,908,383
-	-	396,942	5,584,944
4,788,537	-	2,097,093	11,868,705
-	-	625,604	7,630,395
-	-	-	1,250,456
-	-	29,516	29,516
-	-	-	127,000
4,788,537	-	3,149,155	26,491,016
-	-	108,708	108,708
-	3,870,000	2,985,000	6,950,535
-	734,850	1,738,401	2,493,626
-	4,604,850	4,832,109	9,552,869
215,198	-	65,219	1,338,238
106,789	-	409,400	516,189
-	-	-	1,987,797
-	-	-	-
-	-	1,293,036	1,293,036
321,987	-	1,767,655	5,135,260
5,110,524	4,604,850	9,748,919	41,179,145
(882,842)	(4,595,827)	(3,772,114)	6,729,238
461,000	4,661,983	3,096,927	10,003,410
(9,000)	-	(1,049,295)	(10,003,410)
-	-	1,003,876	1,003,876
-	-	1,860,000	1,860,000
-	-	(46,518)	(46,518)
452,000	4,661,983	4,864,990	2,817,358
(430,842)	66,156	1,092,876	9,546,596
236,110	3,499,034	6,472,862	28,341,662
\$ (194,732)	\$ 3,565,190	\$ 7,565,738	\$ 37,888,258

**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, 2017**

**Statement F**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 9,546,596

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 depreciation exceeded capital outlay charged in the current period. (7,167,370)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Property Tax Revenue	(2,507,565)
Louisiana Revenue Sharing	6,478
Contributions Made to the Retirement Plan by Other Governments	70,145

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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 5,273,167

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 Expenses	(25,936)
Change in Compensated Absences Payable	113,498
Change in Accrued Interest Expense	38,360
Change in the Net Pension Liability and Related Deferred Amounts	<u>(227,938)</u>

**Change in Net Position of Governmental Activities** \$ 5,119,435

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, 2017**

**Statement G-1**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 1,000,000	\$ 1,616,886	\$ 1,640,619	\$ 23,733
Franchise Taxes	1,300,000	1,154,620	1,156,965	2,345
Occupational Taxes	975,000	1,051,153	1,065,070	13,917
Royalties	1,705,000	1,570,213	1,971,050	400,837
Licenses and Permits	1,440,000	1,543,501	1,466,763	(76,738)
Fines and Forfeitures	20,000	18,243	17,612	(631)
Fees and Commissions	205,400	209,020	646,962	437,942
Intergovernmental Revenues				
Federal Sources	1,760,000	1,128,386	1,217,183	88,797
State and Local Sources	1,627,260	1,414,337	1,059,952	(354,385)
Miscellaneous	138,223	514,600	125,304	(389,296)
Use of Money and Property	45,000	174,547	198,829	24,282
<b>Total Revenues</b>	<b>10,215,883</b>	<b>10,395,506</b>	<b>10,566,309</b>	<b>170,803</b>
<b>Expenditures</b>				
Current Expenditures				
General Government	7,017,338	6,892,706	5,188,002	1,704,704
Public Safety	1,437,993	1,473,056	1,597,577	(124,521)
Public Works	55,609	85,572	72,854	12,718
Health and Welfare	281,616	279,766	233,544	46,222
Culture and Recreation	1,500	1,009	-	1,009
Economic Development	89,000	147,797	127,000	20,797
<b>Total Current Expenditures</b>	<b>8,883,056</b>	<b>8,879,906</b>	<b>7,218,977</b>	<b>1,660,929</b>
Debt Service				
Interest and Fees	-	-	8,000	(8,000)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>(8,000)</b>
Capital Outlay				
General Government	-	-	1,057,821	(1,057,821)
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>1,057,821</b>	<b>(1,057,821)</b>
<b>Total Expenditures</b>	<b>8,883,056</b>	<b>8,879,906</b>	<b>8,284,798</b>	<b>595,108</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,332,827</b>	<b>1,515,600</b>	<b>2,281,511</b>	<b>765,911</b>
<b>Other Financing Sources (Uses)</b>				
Governmental Transfers In	1,783,500	2,183,500	1,783,500	(400,000)
Governmental Transfers Out	(2,193,813)	(2,558,813)	(1,743,813)	815,000
<b>Total Other Financing Sources (Uses)</b>	<b>(410,313)</b>	<b>(375,313)</b>	<b>39,687</b>	<b>415,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ 922,514</b>	<b>\$ 1,140,287</b>	<b>2,321,198</b>	<b>\$ 1,180,911</b>
<b>Fund Balance, Beginning of Year</b>			<b>10,269,315</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 12,590,513</b>	

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, 2017**

**Statement G-2**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 1,000,000	\$ 1,844,430	\$ 2,029,180	\$ 184,750
Licenses and Permits	35,000	30,493	30,560	67
Intergovernmental Revenues				
Federal Sources	-	27,107	27,107	-
State and Local Sources	32,364	46,697	35,023	(11,674)
Miscellaneous	-	-	17,431	17,431
Use of Money and Property	7,500	32,546	34,323	1,777
<b>Total Revenues</b>	<b>1,074,864</b>	<b>1,981,273</b>	<b>2,173,624</b>	<b>192,351</b>
<b>Expenditures</b>				
Current Expenditures				
Health and Welfare	1,000,726	1,172,469	1,016,912	155,557
<b>Total Current Expenditures</b>	<b>1,000,726</b>	<b>1,172,469</b>	<b>1,016,912</b>	<b>155,557</b>
<b>Total Expenditures</b>	<b>1,000,726</b>	<b>1,172,469</b>	<b>1,016,912</b>	<b>155,557</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>74,138</b>	<b>808,804</b>	<b>1,156,712</b>	<b>347,908</b>
<b>Other Financing Uses</b>				
Governmental Transfers Out	(140,000)	(145,000)	(140,000)	5,000
<b>Total Other Financing Uses</b>	<b>(140,000)</b>	<b>(145,000)</b>	<b>(140,000)</b>	<b>5,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ (65,862)</b>	<b>\$ 663,804</b>	<b>1,016,712</b>	<b>\$ 352,908</b>
<b>Fund Balance, Beginning of Year</b>			<b>6,255,882</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 7,272,594</b>	

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, 2017**

**Statement G-3**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes				
Sales Taxes	\$ 3,375,000	\$ 4,800,000	\$ 4,842,814	\$ 42,814
Fees and Commissions	40,000	40,945	44,935	3,990
Intergovernmental Revenues				
Federal Sources	-	20,000	20,149	149
Miscellaneous	3,100	499	844	345
<b>Total Revenues</b>	<b>3,418,100</b>	<b>4,861,444</b>	<b>4,908,742</b>	<b>47,298</b>
<b>Expenditures</b>				
Current Expenditures				
Public Safety	2,173,648	3,122,604	3,385,498	(262,894)
Total Current Expenditures	2,173,648	3,122,604	3,385,498	(262,894)
Debt Service				
Interest and Fees	-	-	4,000	(4,000)
Total Debt Service	-	-	4,000	(4,000)
<b>Total Expenditures</b>	<b>2,173,648</b>	<b>3,122,604</b>	<b>3,389,498</b>	<b>(266,894)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,244,452</b>	<b>1,738,840</b>	<b>1,519,244</b>	<b>(219,596)</b>
<b>Other Financing Uses</b>				
Governmental Transfers Out	(1,859,308)	(1,859,313)	(1,859,319)	(6)
<b>Total Other Financing Uses</b>	<b>(1,859,308)</b>	<b>(1,859,313)</b>	<b>(1,859,319)</b>	<b>(6)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (614,856)</b>	<b>\$ (120,473)</b>	<b>(340,075)</b>	<b>\$ (219,602)</b>
<b>Fund Deficit, Beginning of Year</b>			<b>(7,970,626)</b>	
<b>Fund Deficit, End of Year</b>			<b>\$ (8,310,701)</b>	

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, 2017**

**Statement G-4**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 2,000,000	\$ 3,686,637	\$ 4,055,587	\$ 368,950
Sales Taxes	10,125,000	14,400,000	14,528,442	128,442
Fees and Commissions	10,000	4,631	4,546	(85)
Intergovernmental Revenues				
Federal Sources	4,868,113	90,808	182,519	91,711
State and Local Sources	12,549,416	866,791	1,235,473	368,682
Miscellaneous	-	21,496	30,460	8,964
Use of Money and Property	10,000	8,051	9,171	1,120
<b>Total Revenues</b>	<b>29,562,529</b>	<b>19,078,414</b>	<b>20,046,198</b>	<b>967,784</b>
<b>Expenditures</b>				
Current Expenditures				
Public Works	25,793,960	10,444,350	6,931,937	3,512,413
Total Current Expenditures	25,793,960	10,444,350	6,931,937	3,512,413
Debt Service				
Principal	-	-	95,535	(95,535)
Interest and Fees	-	-	8,375	(8,375)
Total Debt Service	-	-	103,910	(103,910)
Capital Outlay				
Public Works	-	-	1,987,797	(1,987,797)
Total Capital Outlay	-	-	1,987,797	(1,987,797)
<b>Total Expenditures</b>	<b>25,793,960</b>	<b>10,444,350</b>	<b>9,023,644</b>	<b>1,420,706</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,768,569</b>	<b>8,634,064</b>	<b>11,022,554</b>	<b>2,388,490</b>
<b>Other Financing Uses</b>				
Governmental Transfers Out	(5,201,983)	(5,221,983)	(5,201,983)	20,000
Total Other Financing Uses	(5,201,983)	(5,221,983)	(5,201,983)	20,000
<b>Net Change in Fund Balance</b>	<b>\$ (1,433,414)</b>	<b>\$ 3,412,081</b>	<b>5,820,571</b>	<b>\$ 2,408,490</b>
<b>Fund Balance, Beginning of Year</b>			<b>9,579,085</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 15,399,656</b>	

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 - Office of Emergency Preparedness**  
**Special Revenue Fund**  
**For the Year Ended December 31, 2017**

**Statement G-5**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Intergovernmental Revenues				
Federal Sources	\$ 240,000	\$ 3,854,642	\$ 4,140,159	\$ 285,517
State and Local Sources	20,000	18,439	21,904	3,465
Miscellaneous	-	7,415	65,619	58,204
<b>Total Revenues</b>	<b>260,000</b>	<b>3,880,496</b>	<b>4,227,682</b>	<b>347,186</b>
<b>Expenditures</b>				
Current Expenditures				
Public Safety	712,260	4,537,622	4,788,537	(250,915)
<b>Total Current Expenditures</b>	<b>712,260</b>	<b>4,537,622</b>	<b>4,788,537</b>	<b>(250,915)</b>
Capital Outlay				
General Government	-	-	215,198	(215,198)
Public Safety	-	-	106,789	(106,789)
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>321,987</b>	<b>(321,987)</b>
<b>Total Expenditures</b>	<b>712,260</b>	<b>4,537,622</b>	<b>5,110,524</b>	<b>(572,902)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(452,260)</b>	<b>(657,126)</b>	<b>(882,842)</b>	<b>(225,716)</b>
<b>Other Financing Sources (Uses)</b>				
Governmental Transfers In	461,000	461,000	461,000	-
Governmental Transfers Out	(9,000)	(9,000)	(9,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>452,000</b>	<b>452,000</b>	<b>452,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (260)</b>	<b>\$ (205,126)</b>	<b>(430,842)</b>	<b>\$ (225,716)</b>
<b>Fund Balance, Beginning of Year</b>			<b>236,110</b>	
<b>Fund Balance, End of Year</b>			<b>\$ (194,732)</b>	

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

**LIVINGSTON PARISH COUNCIL**  
**Statement of Net Position**  
**Proprietary Fund**  
**December 31, 2017**

**Statement H**

**Assets**

**Current Assets**

Cash and Cash Equivalents	\$ 166,251
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$831,810)	22,292
Prepaid Expense	2,151
Due from Other Funds	517,617
<b>Total Current Assets</b>	<u>708,311</u>

**Non-Current Assets**

**Restricted Assets**

Bond Covenant Cash Accounts	<u>133,089</u>
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**Capital Assets**

Land	13,243
Construction in Progress	3,374
Sewer and Water System	9,661,274
<b>Total Capital Assets</b>	9,677,891
Less Accumulated Depreciation	<u>(2,969,451)</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>6,708,440</u>

**Other Assets**

Deposits	<u>670</u>
<b>Total Non-Current Assets</b>	<u>6,842,199</u>

**Total Assets**

7,550,510

**Liabilities**

**Current Liabilities**

Accounts Payable	9,448
Accrued Expenses Payable	8,383
Accrued Interest Payable	1,177
Due to Other Funds	540,000
Customer Deposits	4,500
Current Portion of Long-Term Debt	64,700
<b>Total Current Liabilities</b>	<u>628,208</u>

**Non-Current Liabilities**

Debt Payable after One Year	2,179,154
Accumulated Unpaid Vacation	5,354
<b>Total Non-Current Liabilities</b>	<u>2,184,508</u>

**Total Liabilities**

2,812,716

**Net Position**

Net Investment in Capital Assets	4,464,586
Unrestricted	273,208
<b>Total Net Position</b>	<u>\$ 4,737,794</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, 2017**

**Statement I**

<b>Operating Revenues</b>	
Charges for Services	\$ 178,370
Miscellaneous Charges	3,405
	<hr/>
<b>Total Operating Revenues</b>	<b>181,775</b>
	<hr/>
<b>Operating Expenses</b>	
Personal Services	70,879
Repairs and Maintenance	105,621
Utilities and Telephone	68,262
Employee Benefits	45,344
Professional Services	7,545
Bad Debt Expense	9,723
Office Expenses	4,788
Cost of Materials	600
Depreciation	293,424
	<hr/>
<b>Total Operating Expenses</b>	<b>606,186</b>
	<hr/>
<b>Operating Loss</b>	<b>(424,411)</b>
	<hr/>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Income	3,894
Federal Grants	120,140
State and Local Grants	3,374
Interest on Long-Term Debt	(91,615)
	<hr/>
<b>Total Nonoperating Revenues (Expenses)</b>	<b>35,793</b>
	<hr/>
<b>Change in Net Position</b>	<b>(388,618)</b>
	<hr/>
<b>Net Position, Beginning of Year</b>	<b>5,126,412</b>
	<hr/>
<b>Net Position, End of Year</b>	<b>\$ 4,737,794</b>
	<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, 2017**

**Statement J**

<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 162,330
Payments to Suppliers	(183,275)
Payments to Employees and for Benefits	<u>(113,601)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(134,546)</u>
<b>Cash Flows from Non-Capital and Related Financing Activities</b>	
Net Increase in Customer Deposits	<u>880</u>
<b>Net Cash Provided by Non-Capital and Related Financing Activities</b>	<u>880</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and Construction of Capital Assets	(239,171)
Capital Grants	123,514
Interest Paid on Long-Term Debt	(91,646)
Principal Paid on Long-Term Debt	<u>(61,811)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(269,114)</u>
<b>Cash Flows from Investing Activities</b>	
Interest Received	<u>3,894</u>
<b>Net Cash Provided by Investing Activities</b>	<u>3,894</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(398,886)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>698,226</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 299,340</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, 2017**

**Statement J**

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<b>Reconciliation of Operating Loss to Net Cash</b>	
<b>Used in Operating Activities</b>	
Operating Loss	\$ (424,411)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities	
Depreciation	293,424
Provision for Bad Debts	9,723
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(19,445)
Increase in Prepaid Expenses	(546)
Increase in Accounts Payable	4,087
Increase in Accrued Expenses	2,622
	<u>2,622</u>
<b>Net Cash Used in Operating Activities</b>	<b><u><u>\$ (134,546)</u></u></b>
<b>Reconciliation of Cash at Year-End to the</b>	
<b>Statement of Net Position</b>	
Cash and Cash Equivalents	\$ 166,251
Bond Covenant Cash Accounts	133,089
	<u>133,089</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u><u>\$ 299,340</u></u></b>

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

## **NOTES TO FINANCIAL STATEMENTS**

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Introduction

Livingston Parish Council (the Council) is the governing authority for Livingston Parish, Louisiana (the Parish), and is a political subdivision of the State of Louisiana. Beginning in 1996, the 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 242 persons, as of December 31, 2017.

Louisiana Revised Statute (LRS) 33:1236 gives the President and the 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. These special 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

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### 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 61, the Council includes all funds, account groups, etc. that are within the oversight responsibility of the Council.

The basic criterion 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. These criteria include:

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:

<b>Component Unit</b>	<b>Fiscal Year End</b>	<b>Criteria Used</b>
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**

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**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
Juban Crossing Economic Development District	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

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### 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 and organizations for which the Council maintains the accounting records are included.

GASB 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 funds and combined non-major funds). The financial 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 Council's financial activities in the form of management's discussion and analysis (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Government-Wide 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 Council'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

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Fund Financial Statements

Fund financial statements of the Council 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 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 four special revenue funds reported as major funds in the fund financial statements are as follows:

- Health Unit Special Revenue 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 Special Revenue Fund - This fund accounts for the maintenance and operation of the jail and transfers to the Jail Debt Service Fund for the payment on the debt service of the jail bonds and is funded through sales taxes.
- Road Special Revenue 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.
- Office of Emergency Preparedness Special Revenue Fund - This fund accounts for the operations of the Parish Office of Emergency Preparedness and the federal and state grants that it monitors.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Fund Financial Statements (Continued)

*Capital Projects Funds* - Capital projects funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

*Debt Service Funds* - Debt service funds account 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 Debt Service Fund - This fund accounts for the principal, interest, and related charges for the Road Project Revenue Bonds, Series 2006 and Series 2014 Refunding Bonds, 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

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### 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 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 Agency Fund - 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, 2017.

#### 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 financing uses).

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the Council'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.

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 of 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 available.

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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 Enterprise Fund are charges to customers for sales and services. Operating expenses for the Utility 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 financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial 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.

**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 5<sup>th</sup>, 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 15<sup>th</sup>, to become effective January 1<sup>st</sup>. 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.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Budgets and Budgetary Accounting (Continued)**

Budgets for the capital projects funds 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 projects budgets 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, Road Fund, and Office of Emergency Preparedness 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 funds' 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.

##### *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.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Receivables and Payables (Continued)*

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 1<sup>st</sup> of the following year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

In the government-wide financial 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 financial 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 and fund financial statements.

##### *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 Council to expend 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 Council 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.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Capital Assets (Continued)*

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 Council 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:

<b>Asset</b>	<b>Estimated Useful Lives</b>
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

##### *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. The losses on bond defeasance are reported as deferred outflows of resources 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.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *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, 2017, the accrued liability for unpaid vacation benefits amounted to \$464,841. The amount applicable to the business-type activities was \$5,354, and is recorded in the Utility Enterprise Fund, and the amount of \$459,487 applicable to the governmental activities is reflected on the statement of net position. In addition, applicable percentages of retirement contributions, Social Security, and Medicare have been added to the above accrued leave.

##### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### *Fund Equity*

#### Government-Wide and Proprietary Fund Statements

Net position is classified in the following 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.
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."

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### 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)

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The classifications of fund balance are 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 council ordinance or resolution. These amounts cannot be used for any other purpose unless the 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 Council or by an official or body to which the 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.

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 financial statements.

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

*Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires 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.

**Adoption of New Accounting Principles**

During the year ended December 31, 2017, the Council adopted GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No.67, No. 68, and No. 73*. The objective of GASB 82 is to address issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan members) contribution requirements.

During the year ended December 31, 2017, the Council adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of GASB 79 is to establish criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The external investment pool the Council participates in reports its investments at fair value; therefore, GASB 79 had no impact on the Council.

**New Accounting Pronouncements**

The GASB issued Statement No. 85, *Omnibus 2017*, in March 2017. The objective of GASB 85 is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Management is still evaluating the potential impact of adoption on the Council's financial statements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Management is still evaluating the potential impact of adoption on the Council's financial statements. This Statement will be effective for the Council for the fiscal year ending December 31, 2020.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 2. Cash and Cash Equivalents

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, 2017:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Book Balances</b>			
<u>Unrestricted</u>			
Cash in Bank Accounts	\$ 17,898,755	\$ 166,251	\$ 18,065,006
Petty Cash	1,300	-	1,300
	<u>17,900,055</u>	<u>166,251</u>	<u>18,066,306</u>
<u>Restricted</u>	<u>7,968,465</u>	<u>133,089</u>	<u>8,101,554</u>
<b>Total</b>	<b>\$ 25,868,520</b>	<b>\$ 299,340</b>	<b>\$ 26,167,860</b>
<b>Bank Balances</b>			
Unrestricted	\$ 19,217,550	\$ 164,530	\$ 19,382,080
Restricted	<u>7,968,465</u>	<u>133,089</u>	<u>8,101,554</u>
<b>Total</b>	<b>\$ 27,186,015</b>	<b>\$ 297,619</b>	<b>\$ 27,483,634</b>

#### **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, 2017, \$19,132,083 of the Council's bank balance of \$27,483,634 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 are equal to the amount held in trust.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 3. Investments

Investments held at December 31, 2017, consisted of \$3,459,041 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. 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 LRS 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 an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for 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: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 43 days as of December 31, 2017.

Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. 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 net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory 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, 2017, for the Council'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
<b>Governmental Activities</b>					
General Fund	\$ 286,627	\$ 140,058	\$ 13,314	\$ -	\$ 439,999
Health Unit Fund	-	-	-	-	-
Jail Sales Tax Fund	-	-	-	-	-
Road Fund	-	-	6,895	-	6,895
Office of Emergency Preparedness Fund	-	-	77,631	-	77,631
Non-Major Funds	29,136	-	49,108	-	78,244
<b>Total Governmental Activities</b>	<b>315,763</b>	<b>140,058</b>	<b>146,948</b>	<b>-</b>	<b>602,769</b>
<b>Business-Type Activities</b>					
Utility Enterprise Fund	-	-	854,102	(831,810)	22,292
<b>Total Receivables</b>	<b>\$ 315,763</b>	<b>\$ 140,058</b>	<b>\$ 1,001,050</b>	<b>\$ (831,810)</b>	<b>\$ 625,061</b>

**Note 5. Due from Other Governments**

Due from other governments by governmental agency by individual major fund and non-major funds in the aggregate for the year ended December 31, 2017, were as follows:

	Federal	State	School Board	Sheriff	Other	Total
<b>Governmental Activities</b>						
General Fund	\$ 184,534	\$ 241,279	\$ 179,806	\$ 849,713	\$ 4,620	\$ 1,459,952
Health Unit Fund	-	-	-	1,041,969	-	1,041,969
Jail Sales Tax Fund	90,000	-	788,220	11,981	-	890,201
Road Fund	147,593	234,429	2,368,258	2,083,749	-	4,834,029
Office of Emergency Preparedness Fund	502,958	-	-	-	-	502,958
Non-Major Funds	1,395,821	84,607	63,344	1,092,316	156,581	2,792,669
Adjustment to Full Accrual Basis of Accounting	-	-	-	1,150,542	-	1,150,542
<b>Total Governmental Activities</b>	<b>2,320,906</b>	<b>560,315</b>	<b>3,399,628</b>	<b>6,230,270</b>	<b>161,201</b>	<b>12,672,320</b>
<b>Business-Type Activities</b>						
Utility Enterprise Fund	-	-	-	-	-	-
<b>Total Receivables</b>	<b>\$ 2,320,906</b>	<b>\$ 560,315</b>	<b>\$ 3,399,628</b>	<b>\$ 6,230,270</b>	<b>\$ 161,201</b>	<b>\$ 12,672,320</b>

**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 for the year ended December 31, 2017:

	Ad Valorem Taxes	Revenue Sharing	Occupational and Alcohol Licenses	Fines and Forfeitures	Other	Total
<b>Governmental Activities</b>						
General Fund	\$ 124,165	\$ -	\$ 1,094	\$ 724,454	\$ -	\$ 849,713
Health Unit Fund	158,304	-	-	883,665	-	1,041,969
Jail Sales Tax Fund	-	-	-	-	11,981	11,981
Road Fund	2,083,749	-	-	-	-	2,083,749
Office of Emergency Preparedness Fund	-	-	-	-	-	-
Non-Major Funds	416,843	-	-	16,926	658,547	1,092,316
Adjustment to Full Accrual Basis of Accounting	757,900	392,642	-	-	-	1,150,542
<b>Total Governmental Activities</b>	<b>\$ 3,540,961</b>	<b>\$ 392,642</b>	<b>\$ 1,094</b>	<b>\$ 1,625,045</b>	<b>\$ 670,528</b>	<b>\$ 6,230,270</b>

**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 are 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 Parish 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 Council. All taxes are due by December 31<sup>st</sup> of the year-end and are delinquent on January 1<sup>st</sup> of the next year, which is also the lien date. If the taxes are not paid by the due date of December 31<sup>st</sup>, 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 Parish 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 - Outside	Statutory	2.320	\$ 379,977,063	\$ 881,547	\$ -
Parish - Inside	Statutory	1.160	133,983,575	155,422	-
Health Unit Fund					
Parish - Outside	12/31/2024	2.500	379,977,063	-	949,942
Parish - Inside	12/31/2024	2.500	133,983,575	-	334,961
Road Fund					
Parish - Outside	12/31/2022	5.000	379,977,063	-	1,899,885
Parish - Inside	12/31/2022	5.000	133,983,575	-	669,922
Library Debt Service Fund					
	12/31/2023	0.500	513,960,638	-	256,981
<b>Total</b>				<b>\$ 1,036,969</b>	<b>\$ 4,111,691</b>

**Note 7. Deferred Outflows of Resources - Refunding of Debt**

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, 2017, the Council had a deferred amount on refunding of debt of \$3,792,295, which resulted from the advance refunding of the Library General Obligation Bonds, Series 2004; the Road Project Revenue Bonds, Series 2006; the Jail Project Revenue Bonds, Series 2006; the North Park Project Revenue Bonds, Series 2008; the Live Oak Project Revenue Bonds, Series 2008 and 2015; and the Office of Motor Vehicles Project Revenue Bonds, Series 2016.

**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 as of December 31, 2017:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>	<b>Net Internal Balances</b>
<b>Governmental Activities</b>			
Governmental Funds			
Balance Sheet			
General Fund	\$ 7,458,178	\$ (837,948)	\$ 6,620,230
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	-	(398,823)	(398,823)
	<u>9,146,687</u>	<u>(9,124,304)</u>	<u>22,383</u>
<b>Business-Type Activities</b>			
Utility Enterprise Fund			
Statement of Net Position	517,617	(540,000)	(22,383)
	<u>517,617</u>	<u>(540,000)</u>	<u>(22,383)</u>
<b>Total</b>	<u>\$ 9,664,304</u>	<u>\$ (9,664,304)</u>	<u>\$ -</u>

**Note 9. Payables**

The payables, as reported on the statement of net position at December 31, 2017, included the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Accounts Payable	\$ 2,300,595	\$ 9,448	\$ 2,310,043
Accrued Wages	209,133	2,094	211,227
Accrued Expenses and Withholdings	418,110	6,289	424,399
Customer Deposits	-	4,500	4,500
	<u>2,927,838</u>	<u>22,331</u>	<u>2,950,169</u>
<b>Total</b>	<u>\$ 2,927,838</u>	<u>\$ 22,331</u>	<u>\$ 2,950,169</u>

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, 2017:

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 6,164,832	\$ 435,888	\$ -	\$ 6,600,720
Construction in Progress	3,572,451	4,151,354	(148,813)	7,574,992
<b>Total Capital Assets Not Being Depreciated</b>	<b>9,737,283</b>	<b>4,587,242</b>	<b>(148,813)</b>	<b>14,175,712</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	74,580,914	28,200	-	74,609,114
Recreational Facilities	3,758,232	-	-	3,758,232
Machinery and Equipment	7,549,745	514,032	(15,816)	8,047,961
Sewer System	2,126,234	-	-	2,126,234
Infrastructure	154,044,670	148,813	-	154,193,483
Furniture and Fixtures	521,537	5,786	-	527,323
<b>Total Capital Assets Being Depreciated</b>	<b>242,581,332</b>	<b>696,831</b>	<b>(15,816)</b>	<b>243,262,347</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(14,562,042)	(1,854,223)	-	(16,416,265)
Recreational Facilities	(540,246)	(93,956)	-	(634,202)
Machinery and Equipment	(6,223,885)	(572,846)	15,816	(6,780,915)
Sewer System	(666,932)	(141,749)	-	(808,681)
Infrastructure	(103,235,047)	(9,597,381)	-	(112,832,428)
Furniture and Fixtures	(285,073)	(42,475)	-	(327,548)
<b>Total Accumulated Depreciation</b>	<b>(125,513,225)</b>	<b>(12,302,630)</b>	<b>15,816</b>	<b>(137,800,039)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>117,068,107</b>	<b>(11,605,799)</b>	<b>-</b>	<b>105,462,308</b>
<b>Capital Assets, Net</b>	<b>\$ 126,805,390</b>	<b>\$ (7,018,557)</b>	<b>\$ (148,813)</b>	<b>\$ 119,638,020</b>
<b>Business-Type Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 13,243	\$ -	\$ -	\$ 13,243
Construction in Progress	-	3,374	-	3,374
<b>Total Capital Assets Not Being Depreciated</b>	<b>13,243</b>	<b>3,374</b>	<b>-</b>	<b>16,617</b>
<b>Capital Assets Being Depreciated</b>				
Utility System	9,432,830	235,797	(7,353)	9,661,274
<b>Total Capital Assets Being Depreciated</b>	<b>9,432,830</b>	<b>235,797</b>	<b>(7,353)</b>	<b>9,661,274</b>
<b>Less Accumulated Depreciation for:</b>				
Utility System	(2,683,380)	(293,424)	7,353	(2,969,451)
<b>Total Accumulated Depreciation</b>	<b>(2,683,380)</b>	<b>(293,424)</b>	<b>7,353</b>	<b>(2,969,451)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>6,749,450</b>	<b>(57,627)</b>	<b>-</b>	<b>6,691,823</b>
<b>Capital Assets, Net</b>	<b>\$ 6,762,693</b>	<b>\$ (54,253)</b>	<b>\$ -</b>	<b>\$ 6,708,440</b>

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.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

**Note 10. Capital Assets (Continued)**

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,105,734
Public Safety	642,685
Public Works	9,748,762
Health and Welfare	175,632
Culture and Recreation	<u>629,817</u>
<b>Total</b>	<b><u>\$ 12,302,630</u></b>

**Note 11. Long-Term Debt**

The following is a summary of debt transactions of the Council for the year ended December 31, 2017:

	Debt Payable January 1, 2017	Additions	Deletions	Debt Payable December 31, 2017	Due Within 1 Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 572,985	\$ -	\$ (113,498)	\$ 459,487	\$ 114,872
Net Pension Liability	1,075,693	(322,202)	-	753,491	-
Library General Obligation Refunding Bonds, Series 2012	4,955,000	-	(555,000)	4,400,000	570,000
Road Project Revenue Refunding Bonds, Series 2014	20,790,000	-	(3,870,000)	16,920,000	3,985,000
Jail Project Revenue Refunding Bonds, Series 2014	7,705,000	-	(1,435,000)	6,270,000	1,475,000
Live Oak Sports Complex Project Revenue Bonds, Series 2008	200,000	-	(100,000)	100,000	100,000
Live Oak Sports Complex Project Refunding Bonds, Series 2015	3,755,000	-	(25,000)	3,730,000	30,000
Livingston Parish Recreation District No. 2 Project Revenue Bonds, Series 2017	-	1,860,000	-	1,860,000	-
North Park Project Revenue Bonds, Series 2008	510,000	-	(160,000)	350,000	170,000
North Park Project Revenue Refunding Bonds, Series 2014	8,935,000	-	(120,000)	8,815,000	125,000
Office of Motor Vehicles Project Revenue Bonds, Series 2009	350,000	-	(115,000)	235,000	115,000
Office of Motor Vehicles Revenue Refunding Bonds, Series 2016	4,295,000	-	(35,000)	4,260,000	35,000
Sewer District No. 2 Project Revenue Bonds, Series 2009	175,000	-	(55,000)	120,000	60,000
Courthouse Project Revenue Bonds, Series 2011	16,060,000	-	(385,000)	15,675,000	390,000
Unamortized Premium on Debt	2,011,659	-	(611,324)	1,400,335	572,489
Unamortized Discount on Debt	(87,268)	46,519	(46,325)	(133,593)	(5,646)
Capital Lease	234,673	-	(95,535)	139,138	97,746
<b>Total Governmental Activities</b>	<b><u>71,537,742</u></b>	<b><u>1,584,317</u></b>	<b><u>(7,721,682)</u></b>	<b><u>65,353,858</u></b>	<b><u>7,834,461</u></b>

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

	Debt Payable January 1, 2017	Additions	Deletions	Debt Payable December 31, 2017	Due Within 1 Year
<b>Business-Type Activities</b>					
Compensated Absences	4,703	651	-	5,354	-
Water Revenue Bonds, Series 2007	2,068,365	-	(48,211)	2,020,154	50,300
Community Development Water System Loan	237,300	-	(13,600)	223,700	14,400
<b>Total Business-Type Activities</b>	<b>2,310,368</b>	<b>651</b>	<b>(61,811)</b>	<b>2,249,208</b>	<b>64,700</b>
<b>Total Debt</b>	<b>\$ 73,848,110</b>	<b>\$ 1,584,968</b>	<b>\$ (7,783,493)</b>	<b>\$ 67,603,066</b>	<b>\$ 7,899,161</b>

**Governmental Activity Debt**

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 2.00% to 3.00%.

\$ 4,400,000

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

Year Ending December 31,	Principal	Interest	Total
2018	\$ 570,000	\$ 99,931	\$ 669,931
2019	590,000	88,331	678,331
2020	605,000	76,381	681,381
2021	625,000	63,300	688,300
2022	645,000	48,609	693,609
2023 - 2024	1,365,000	41,325	1,406,325
<b>Total</b>	<b>\$ 4,400,000</b>	<b>\$ 417,877</b>	<b>\$ 4,817,877</b>

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 1<sup>st</sup> 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, 2017, the Library Debt Service Fund had a debt service restricted fund balance of \$762,691.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

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**Note 11. Long-Term Debt (Continued)**

**Governmental Activity Debt (Continued)**

**Road Project Revenue Refunding Bonds, Series 2014**

Road Project Revenue Refunding Bonds, Series 2014 - \$21,105,000, dated March 28, 2014, due in annual installments of principal and semi-annual installments of interest through March 1, 2021; variable interest rate ranging from 3.00% to 4.00%.

\$ 16,920,000

A schedule of the outstanding Road Project Revenue Refunding Bonds, Series 2014, principal and interest requirements is as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 3,985,000	\$ 597,100	\$ 4,582,100
2019	4,140,000	434,600	4,574,600
2020	4,310,000	265,600	4,575,600
2021	4,485,000	89,700	4,574,700
<b>Total</b>	<b>\$ 16,920,000</b>	<b>\$ 1,387,000</b>	<b>\$ 18,307,000</b>

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 in the amount of \$466,545.

According to the terms of the Trust Indentures, the Council established the Road 06 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, 2017, the Road 06 Debt Service Fund was fully funded with an actual balance of \$3,565,190.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

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Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Jail Project Revenue Refunding Bonds, Series 2014

Jail Project Revenue Refunding Bonds, Series 2014 - \$7,775,000, dated March 28, 2014, due in annual installments of principal and semi-annual installments of interest through March 1, 2021; variable interest rate ranging from 3.00% to 4.00%.

\$ 6,270,000

A schedule of the outstanding Jail Project Revenue Refunding Bonds, Series 2014, principal and interest requirements is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,475,000	\$ 221,300	\$ 1,696,300
2019	1,535,000	161,100	1,696,100
2020	1,600,000	98,400	1,698,400
2021	1,660,000	33,200	1,693,200
<b>Total</b>	<u>\$ 6,270,000</u>	<u>\$ 514,000</u>	<u>\$ 6,784,000</u>

The Jail Project Revenue Bonds were issued through 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 in the amount of \$170,915.

According to the terms of the Trust Indentures, the Council established the Jail 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, 2017, the Jail Debt Service Fund was fully funded with an actual balance of \$1,323,063.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

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**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%. During 2015, the bond maturities for the years 2019 through 2038 were refunded.

\$ 100,000

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 100,000	\$ 4,250	\$ 104,250
<b>Total</b>	<u>\$ 100,000</u>	<u>\$ 4,250</u>	<u>\$ 104,250</u>

The Live Oak Sports Complex Project Revenue Bonds were issued through 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 \$29,800.

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.

Live Oak Sports Complex Project Revenue Refunding Bonds, Series 2015

Live Oak Sports Complex Project Revenue Refunding Bonds, Series 2015 - \$3,820,000, dated December 17, 2015, due in annual installments of principal and semi-annual installments of interest through September 1, 2038; variable interest rate ranging from 1.25% to 4.25%.

\$ 3,730,000

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

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Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Live Oak Sports Complex Project Revenue Refunding Bonds, Series 2015 (Continued)

A schedule of the outstanding Live Oak Sports Complex Project Revenue Refunding Bonds, Series 2015, principal and interest requirements is as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 30,000	\$ 131,365	\$ 161,365
2019	135,000	130,990	265,990
2020	135,000	128,290	263,290
2021	140,000	125,590	265,590
2022	145,000	122,790	267,790
2023 - 2027	785,000	544,750	1,329,750
2028 - 2032	950,000	376,475	1,326,475
2033 - 2037	1,150,000	177,886	1,327,886
2038	260,000	9,620	269,620
<b>Total</b>	<b>\$ 3,730,000</b>	<b>\$ 1,747,756</b>	<b>\$ 5,477,756</b>

According to the terms of the Trust Indentures, the Council established the Live Oak Sports Complex 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, 2017, the Live Oak Sports Complex Debt Service Fund was fully funded with an actual balance of \$578,509.

Livingston Parish Recreation District No. 2 Project Revenue Bonds, Series 2017

Livingston Parish Recreation District No. 2 Project Revenue Bonds ,  
 Series 2017 - \$1,860,000, dated July 18, 2017, due in annual  
 installments of principal and semi-annual installments of interest  
 through September 1, 2044; interest rate of 3.75%.

\$ 1,860,000

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

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Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

Livingston Parish Recreation District No. 2 Project Revenue Bonds, Series 2017 (Continued)

A schedule of the outstanding Livingston Parish Recreation District No 2. Project Revenue Bonds, Series 2017, principal and interest requirements is as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ -	\$ 78,081	\$ 78,081
2019	5,000	69,750	74,750
2020	10,000	69,563	79,563
2021	5,000	69,188	74,188
2022	5,000	69,000	74,000
2023 - 2027	40,000	340,875	380,875
2028 - 2032	45,000	333,000	378,000
2033 - 2037	55,000	324,188	379,188
2038 - 2042	1,190,000	251,813	1,441,813
2043 - 2037	505,000	25,875	530,875
<b>Total</b>	<b>\$ 1,860,000</b>	<b>\$ 1,631,333</b>	<b>\$ 3,491,333</b>

Livingston Parish Recreation District No 2. Project Revenue Bonds, Series 2017 are included in the Live Oak Sports Complex Debt Service Fund along with the Live Oak Sports Complex Project Revenue Bonds, Series 2008 and Series 2015.

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%. During 2014, the bond maturities for the years 2020 through 2038 were refunded.

\$ 350,000

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 11. Long-Term Debt (Continued)

#### Governmental Activity Debt (Continued)

##### North Park Project Revenue Bonds, Series 2008 (Continued)

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 170,000	\$ 21,350	\$ 191,350
2019	180,000	10,980	190,980
<b>Total</b>	<b>\$ 350,000</b>	<b>\$ 32,330</b>	<b>\$ 382,330</b>

The North Park Project Revenue Bonds were issued through 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 initially funded with a withholding of the bond proceeds of \$647,488.

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.

##### North Park Project Revenue Refunding Bonds, Series 2014

North Park Project Revenue Refunding Bonds, Series 2014 - \$9,195,000, dated June 18, 2014, due in annual installments of principal and semi-annual installments of interest through October 1, 2038; variable interest rate ranging from 3.00% to 4.10%.

\$ 8,815,000

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

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Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

North Park Project Revenue Refunding Bonds, Series 2014 (Continued)

A schedule of the outstanding North Park Project Revenue Refunding Bonds, Series 2014, principal and interest requirements is as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 125,000	\$ 325,015	\$ 450,015
2019	130,000	321,265	451,265
2020	330,000	317,365	647,365
2021	340,000	307,465	647,465
2022	350,000	297,265	647,265
2023 - 2027	1,905,000	1,320,485	3,225,485
2028 - 2032	2,265,000	961,965	3,226,965
2033 - 2037	2,750,000	473,865	3,223,865
2038	620,000	25,420	645,420
<b>Total</b>	<b>\$ 8,815,000</b>	<b>\$ 4,350,110</b>	<b>\$ 13,165,110</b>

According to the terms of the Trust Indentures, the Council established the North Park 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, 2017, the North Park Debt Service Fund was fully funded with an actual balance of \$791,590.

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%. During 2016, the bond maturities for the years 2020 through 2039 were refunded.

\$ 235,000

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:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 115,000	\$ 7,935	\$ 122,935
2019	120,000	4,140	124,140
<b>Total</b>	<b>\$ 235,000</b>	<b>\$ 12,075</b>	<b>\$ 247,075</b>

The Office of Motor Vehicles Project Revenue Bonds were issued through 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 in the amount of \$65,854.

Office of Motor Vehicles Project Revenue Refunding Bonds, Series 2016

Office of Motor Vehicles Project Revenue Refunding Bonds, Series 2016 -  
 \$4,310,000, dated May 25, 2016, due in annual installments of principal  
 and semi-annual installments of interest through September 1, 2039;  
 variable interest rate ranging from 3.55% to 4.75%.

\$ 4,260,000

A schedule of the outstanding Office of Motor Vehicles Project Revenue Refunding Bonds, Series 2016, principal and interest requirements is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 35,000	\$ 125,045	\$ 160,045
2019	35,000	124,660	159,660
2020	160,000	124,275	284,275
2021	165,000	122,275	287,275
2022	170,000	118,975	288,975
2023 - 2027	890,000	536,588	1,426,588
2028 - 2032	1,050,000	380,400	1,430,400
2033 - 2037	1,215,000	200,900	1,415,900
2038 - 2039	540,000	26,080	566,080
<b>Total</b>	<b>\$ 4,260,000</b>	<b>\$ 1,759,198</b>	<b>\$ 6,019,198</b>

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 11. Long-Term Debt (Continued)

#### Governmental Activity Debt (Continued)

##### Office of Motor Vehicles Project Revenue Refunding Bonds, Series 2016 (Continued)

According to the terms of the Trust Indentures, the Council established the Livingston 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, 2017, the Livingston Debt Service Fund was fully funded with an actual balance of \$101,537.

##### 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%. During 2016, the bond maturities for the years 2020 through 2039 were refunded.

\$ 120,000

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,000	\$ 3,600	\$ 63,600
2019	60,000	1,200	61,200
<b>Total</b>	<u>\$ 120,000</u>	<u>\$ 4,800</u>	<u>\$ 124,800</u>

The Sewer District No. 2 Project Revenue Bonds were issued through 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 \$64,802.

**LIVINGSTON PARISH COUNCIL**

**Notes to Financial Statements**

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**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 Indentures, the Council established the Sewer No. 2 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, 2017, the Sewer No. 2 Debt Service Fund was fully funded with an actual balance of \$135,930.

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.

During 2016, the bond maturities for the years 2020 through 2039 were refunded and transferred to Sewerage District No. 2 of Livingston Parish.

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%.

\$ 15,675,000

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 390,000	\$ 697,656	\$ 1,087,656
2019	405,000	685,956	1,090,956
2020	415,000	673,806	1,088,806
2021	430,000	661,356	1,091,356
2022	440,000	648,456	1,088,456
2023 - 2027	2,530,000	2,918,680	5,448,680
2028 - 2032	3,190,000	2,258,725	5,448,725
2033 - 2037	3,980,000	1,469,595	5,449,595
2038 - 2041	3,895,000	460,419	4,355,419
<b>Total</b>	<u>\$ 15,675,000</u>	<u>\$ 10,474,649</u>	<u>\$ 26,149,649</u>

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### 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 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 in the amount of \$205,967.

According to the terms of the Trust Indentures, the Council established the Courthouse 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, 2017, the Courthouse Debt Service Fund was fully funded with an actual balance of \$364,079.

##### *Defeased Debt Outstanding*

In prior years, the Council defeased 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, 2017, \$15,310,263 of defeased bonds remained outstanding.

##### *Capital Lease Obligation*

In 2014, the Council entered into a lease agreement as lessee for financing the acquisition of tractors valued at \$471,592. The tractors have a five-year estimated useful life. In 2017, \$94,318 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. At December 31, 2017, the leased equipment had a net book value of \$129,688.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

Note 11. Long-Term Debt (Continued)

Governmental Activity Debt (Continued)

*Capital Lease Obligation (Continued)*

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, were as follows:

Year Ended December 31,	Amount
2018	\$ 99,912
2019	41,629
Total Minimum Lease Payments	141,541
Less: Amount Representing Interest	(2,403)
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 139,138</b>

Business-Type Activity Debt

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%.

\$ 2,020,154

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

Year Ending December 31,	Principal	Interest	Total
2018	\$ 50,300	\$ 84,884	\$ 135,184
2019	52,480	82,705	135,185
2020	54,754	80,430	135,184
2021	57,127	78,057	135,184
2022	59,602	75,581	135,183
2023 - 2027	339,073	336,848	675,921
2028 - 2032	419,197	256,726	675,923
2033 - 2037	518,253	157,669	675,922
2038 - 2041	469,368	39,360	508,728
<b>Total</b>	<b>\$ 2,020,154</b>	<b>\$ 1,192,260</b>	<b>\$ 3,212,414</b>

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

**LIVINGSTON PARISH COUNCIL**

**Notes to Financial Statements**

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**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 variable rates, with the final payment due November 1, 2029.

\$ 223,700

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 14,400	\$ 2,995	\$ 17,395
2019	15,100	2,794	17,894
2020	15,800	2,581	18,381
2021	16,800	2,356	19,156
2022	16,800	2,124	18,924
2023 - 2027	99,500	6,754	106,254
2028 - 2029	45,300	628	45,928
<b>Total</b>	<b>\$ 223,700</b>	<b>\$ 20,232</b>	<b>\$ 243,932</b>

The Council authorized this loan by Ordinance 03-247, dated June 12, 2003, and has drawn a total of \$223,700. This loan requires principal repayments through 2029. The loan proceeds were used to finance improvements to the Council's waterworks 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)

Debt Service Requirements to Maturity

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

Year Ending December 31,	Government Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 7,152,746	\$ 2,312,628	\$ 9,465,374	\$ 64,700	\$ 87,879	\$ 152,579
2019	7,376,392	2,032,972	9,409,364	67,580	85,499	153,079
2020	7,565,000	1,753,680	9,318,680	70,554	83,011	153,565
2021	7,850,000	1,472,074	9,322,074	73,927	80,413	154,340
2022	1,755,000	1,305,095	3,060,095	76,402	77,705	154,107
2023 - 2027	7,515,000	5,702,703	13,217,703	438,573	343,602	782,175
2028 - 2032	7,500,000	4,310,565	11,810,565	464,497	257,354	721,851
2033 - 2037	9,150,000	2,646,434	11,796,434	518,253	157,669	675,922
2038 - 2042	6,505,000	773,352	7,278,352	469,368	39,360	508,728
2043 - 2047	505,000	25,875	530,875	-	-	-
	62,874,138	\$ 22,335,378	\$ 85,209,516	\$ 2,243,854	\$ 1,212,492	\$ 3,456,346
Net Unamortized Premiums (Discounts)	1,266,742					
	<u>\$ 64,140,880</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, 2017, the Council's general obligation debt limit was \$75,418,809. The Council's general obligation debt did not exceed the legal limits as of December 31, 2017.

LIVINGSTON PARISH COUNCIL

Notes to Financial Statements

**Note 12. Restricted Assets**

Restricted assets were applicable to the following at December 31, 2017:

	Funds Raised for:			Total
	Debt Reserves	Debt Service	Other	
<b>Governmental Activities</b>				
Library General Obligation Refunding Bonds, Series 2012	\$ -	\$ 600,467	\$ -	\$ 600,467
Road Project Revenue Refunding Bonds, Series 2014	-	3,565,190	-	3,565,190
Jail Project Revenue Refunding Bonds, Series 2014	-	1,323,063	-	1,323,063
Live Oak Sports Complex Project Revenue Bonds, Series 2008	29,800	60,564	-	90,364
Live Oak Sports Complex Project Revenue Bonds, Series 2015	-	64,900	-	64,900
Livingston Parish Recreation District No. 2 Project Revenue Bonds, Series 2017	2	30,892	782,307	813,201
North Park Project Revenue Bonds, Series 2008	194,106	47,778	-	241,884
North Park Project Revenue Refunding Bonds, Series 2014	453,885	112,154	-	566,039
Office of Motor Vehicles Project Revenue Bonds, Series 2009	-	41,247	-	41,247
Office of Motor Vehicles Project Revenue Refunding Bonds, Series 2016	-	60,290	-	60,290
Sewer District No. 2 Project Revenue Bonds, Series 2009	64,838	71,092	-	135,930
Courthouse Project Revenue Bonds, Series 2011	-	364,079	-	364,079
Gulf of Mexico Energy Security Act Federal Grant Advance	-	-	101,811	101,811
<b>Total Governmental Activities</b>	<b>742,631</b>	<b>6,341,716</b>	<b>884,118</b>	<b>7,968,465</b>
<b>Business-Type Activities</b>				
Water Revenue Bonds, Series 2007	121,824	11,265	-	133,089
<b>Total Business-Type Activities</b>	<b>121,824</b>	<b>11,265</b>	<b>-</b>	<b>133,089</b>
<b>Total Restricted Assets - Cash</b>	<b>\$ 864,455</b>	<b>\$ 6,352,981</b>	<b>\$ 884,118</b>	<b>\$ 8,101,554</b>

**LIVINGSTON PARISH COUNCIL**

**Notes to Financial Statements**

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**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 (i) 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 1/4<sup>th</sup> 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.

The total sales and use tax revenue for the year ended December 31, 2017, was as follows:

	<b>Sales and Use Tax Revenue</b>	<b>Percentage</b>
Jail Sales Tax Fund	\$ 4,842,814	25%
Road Fund	14,528,442	75%
<b>Total Sales and Use Tax</b>	<b>\$ 19,371,256</b>	<b>100%</b>

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the 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, 2017, 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, 2017:

<b>Balance Due at 12/31/16</b>	<b>Collected</b>	<b>Disbursed</b>	<b>Balance Due at 12/31/17</b>
\$ -	\$ 1,078,144	\$ (1,078,144)	\$ -

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 15. Operating Leases

The Council leases equipment under non-cancelable operating leases. Total costs for such leases were \$414,313, for the year ended December 31, 2017.

The future minimum lease payments for these leases are as follows:

Year Ending December 31,	Amount
2018	\$ 591,490
2019	585,019
2020	504,936
2021	341,898
2022	41,387
Thereafter	<u>850</u>
<b>Total</b>	<b><u>\$ 2,065,580</u></b>

### Note 16. Pension Plan

The Council contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS or the System). 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. PERS was established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. PERS is administered by a Board of Trustees consisting of seven members. The plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to P.O. Box 14619, Baton Rouge, LA 70898-4619, or by calling 225-928-1361.

#### Plan Description

All permanent employees working at least 28 hours per week and who are paid wholly or in part from Council funds shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

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

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service
2. Age 60 with a minimum of ten (10) years of creditable service
3. Age 65 with a minimum of seven (7) years of creditable service

**LIVINGSTON PARISH COUNCIL**

**Notes to Financial Statements**

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**Note 16. Pension Plan (Continued)**

**Plan Description (Continued)**

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of creditable service
2. Age 62 with ten (10) years of creditable service
3. Age 67 with seven (7) years of creditable service

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2% of the members' final average compensation multiplied by the members' years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Employees who terminate with at least the amount of credited service stated previously, and who do not withdraw their employee contributions, may retire at the age specified previously and receive the benefit accrued to their date of termination. PERS also provides death and disability benefits. Benefits are established by state statute.

**Funding Policy**

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, 2017, were as follows:

	<b>December 31, 2017</b>	
	<b>Parish Council Percentage</b>	<b>Parish Employees Percentage</b>
Parochial Employees' Retirement System Plan B	8.00%	3.00%

The contributions made to PERS for December 31, 2017, which substantially equaled the required contribution, were as follows:

	<b>Contributions</b>
Parochial Employees' Retirement System Plan B	
Parish Council Contribution	\$ 476,314
Parish Employees Contribution	167,115
<b>Total Contribution</b>	<b>\$ 643,429</b>

**LIVINGSTON PARISH COUNCIL**

**Notes to Financial Statements**

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**Note 16. Pension Plan (Continued)**

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

At December 31, 2017, the Council reported a liability of \$753,491 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and was determined by actuarial valuation as of that date. The Council's proportion of the net pension liability was based on a projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all municipalities, actuarially determined. At December 31, 2016, the Council's proportion was 5.800218%.

For the year ended December 31, 2017, the Council recognized pension expense of \$716,833. At December 31, 2017, the Council reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ -	\$ 215,070
Changes in Assumptions	89,869	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	752,257	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		
Changes in Proportion	1,405	193
Difference in Contributions	2,361	-
Council Contributions Subsequent to the Measurement Date	476,314	-
	<u>\$ 1,322,206</u>	<u>\$ 215,263</u>

In the year ending December 31, 2018, \$476,314 reported as deferred outflows of resources related to the Council's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	<b>Amount</b>
2018	\$ 209,876
2019	259,929
2020	181,432
2021	<u>(20,608)</u>
<b>Total</b>	<u>\$ 630,629</u>

**Note 16. Pension Plan (Continued)**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining net pension liability as of December 31, 2017, are as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Return	7.00% (Net of Investment Expense)
Expected Remaining Service Lives	4 Years
Projected Salary Increases	5.25% (2.75% Merit / 2.50% Inflation)
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

**Note 16. Pension Plan (Continued)****Actuarial Assumptions (Continued)**

The discount rate used to measure the total pension liability was 7.00% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best-estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016, are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
	100%	5.66%
Inflation		2.00%
Expected Arithmetic Normal Return		7.66%

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 16. Pension Plan (Continued)

#### Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the Council using the discount rate of 7.00% as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Council's Proportionate Share of the Net Pension Asset (Liability)	\$ 2,864,578	\$ 753,491	\$ (1,028,559)

### Note 17. Other Retirement Commitments

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 18. Other Postemployment Benefits (OPEB)

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

### Note 19. 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

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#### Note 20. 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, 2017, the total royalties under this agreement were \$1,849,861. 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 21. Deficit Fund Equity

At December 31, 2017, the Jail Sales Tax Fund deficit was \$8,310,701. 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, 2017. The Jail Sales Tax Fund will repay these advances once resources are available. In addition, at December 31, 2017, the Jail Sales Tax Fund owes the General Fund \$1,563,528 and the Road 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, 2017, the Office of Emergency Preparedness Fund deficit was \$194,732. This will be corrected in 2018 with a transfer from the General Fund.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 22. 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 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 may receive up to \$1,200 per month. Compensation paid to the Parish President and to the Members of the Council is as follows:

<b>Name / Contact Number</b>	<b>Title</b>	<b>Address</b>	<b>Amount</b>
L. Layton Ricks, Jr. (225) 686-4400	Parish President	P. O. Box 427 Livingston, LA 70754	\$ 157,435
Jeff Ard (225) 305-6665	District 1 Council Member	34403 Weiss Road Walker, LA 70785	14,404
Gary "Frog" Talbert (225) 250-7417	District 2 Council Member	33460 Marion Drive Denham Springs, LA 70706	14,404
Maurice "Scooter" Keen (225) 305-8996	District 3 Council Member	33781 Clinton Allen Road Denham Springs, LA 70706	14,404
John Wascom (225) 445-5027	District 4 Council Member	522 Centerville Street Denham Springs, LA 70726	15,304
R.C. "Bubba" Harris (225) 363-5155	District 5 Council Member	10865 Highway 1033 Denham Springs, LA 70726	14,404
Jeff Averett (225) 305-4194	District 6 Council Member	16135 Highway 16 French Settlement, LA 70733	14,404
Tracy Girlinghouse (225) 236-8774	District 7 Council Member	28300 Magnolia Drive Walker, LA 70785	15,304
Tab Lobell (985) 507-7008	District 8 Council Member	26470 Highway 42 Holden, LA 70744	15,304
Shane Mack (985) 974-0909	District 9 Council Member	29863 Amvets Road Albany, LA 70711	15,304
<b>Total</b>			<b>\$ 290,671</b>

Current terms expire December 31, 2019.

## LIVINGSTON PARISH COUNCIL

### Notes to Financial Statements

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#### Note 23. 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 24. Litigation and Claims

At December 31, 2017, 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 the Council's 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 Council.

#### Note 25. 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 submitted the estimated cost of the hurricane cleanup to FEMA 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, 2017, 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.

# LIVINGSTON PARISH COUNCIL

## Notes to Financial Statements

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### Note 25. Commitments and Contingencies (Continued)

At December 31, 2017, the Council has various active construction projects and has spent \$4,291,634 on these contracts. The Council's remaining commitment on these contracts is \$348,291. Additionally, the Council has entered into multiple engineering contracts and has spent \$6,404,836 as of year-end. The Council's remaining commitment on these contracts is \$2,543,302.

### Note 26. Tax Abatements

Louisiana Economic Development provides incentives for economic development which include an industrial ad valorem tax exemption for up to ten years. During the year ended December 31, 2017, there were thirteen tax abatements under the industrial tax exemption. During the year ended December 31, 2017, total ad valorem taxes abated for the Council was \$113,573.

### Note 27. 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, 2017, in the following categories or functions:

	Final Budget	Actual	Unfavorable Variance	Unfavorable Variance Percentage
<b>Jail Sales Tax Fund</b>				
Total Expenditures and Other Uses	\$ 4,981,917	\$ 5,248,817	\$ 266,900	5.36%
<b>Office of Emergency Preparedness Fund</b>				
Total Expenditures and Other Uses	\$ 4,546,622	\$ 5,119,524	\$ 572,902	12.60%

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.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Council's Proportionate Share of the**  
**Net Pension Liability**  
**For the Year Ended December 31, 2017**

	2017	2016	2015
Council's Portion of the Net Pension Liability	5.800218%	6.041681%	6.017930%
Council's Proportionate Share of the Net Pension Liability	\$ 753,491	\$ 1,075,693	\$ 16,714
Council's Covered Payroll	\$ 5,808,263	\$ 5,756,578	\$ 5,604,097
Council's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	12.97%	18.69%	0.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.50%	93.48%	99.89%

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

See independent auditor's report.

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Council's Pension Contributions**  
**For the Year Ended December 31, 2017**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually Required Contribution	\$ 476,314	\$ 464,661	\$ 518,092
Contributions in Relation to the Contractually Required Contribution	<u>(476,314)</u>	<u>(464,661)</u>	<u>(518,092)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's Covered Payroll	\$ 5,953,925	\$ 5,808,263	\$ 5,756,578
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	9.00%

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

See independent auditor's report.

## **OTHER SUPPLEMENTARY INFORMATION**

## LIVINGSTON PARISH COUNCIL

### Fund Descriptions

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#### 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 31<sup>st</sup> each year be transferred to the General Fund.

**Off-Duty Officer Witness Fund** - This fund accounts for the court costs and bond forfeiture revenues, witness fees, and related expenditures. As required by Louisiana Revised Statute 15, Section 255, the fund balance remaining at December 31<sup>st</sup> each year, which is in excess of the total amount paid from the fund as witness fees for 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.

**Court Fee Special Revenue Fund** - This fund accounts for the court fee revenues received from the Clerk of Court for the purpose of designing, constructing, renovating, equipping, operating, and maintaining a new Livingston Parish Courthouse and transfers to the Courthouse Debt Service Fund for the payment on the debt service of the Courthouse Project Revenue Bonds, Series 2011.

**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 Council meetings over a contracted cable channel.

**Mosquito Abatement Fund** - This fund accounts for activities in the Parish to reduce mosquito populations.

##### Capital Projects Funds

**Parish Transportation Capital Project Fund** - This fund was created to account for Parish Transportation Fund 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 projects.

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

## LIVINGSTON PARISH COUNCIL

### Fund Descriptions (Continued)

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#### NON-MAJOR GOVERNMENTAL FUNDS (Continued)

##### Debt Service Funds

**Jail Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the Jail Project Revenue Bonds, Series 2006 and the Series 2014 Refunding Bonds, the transfers from the Jail Sales Tax Fund, and the accumulated restricted cash for the repayment of the bonds.

**Library Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the Library General Obligation Refunding Bonds, Series 2012, the ad valorem taxes collected, the unrestricted cash, the accumulated restricted cash for the repayment of the bonds, and the ad valorem tax receivable collectible at year-end.

**Live Oak Sports Complex Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the Live Oak Sports Complex Project Revenue Bonds, Series 2008 and the Series 2015 Refunding Bonds, the collection of payments from Livingston Recreation District No. 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 Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the Office of Motor Vehicles Project Revenue Bonds, Series 2009, and the accumulated restricted cash for the repayment of the bonds, including the reserve funds set aside by the bond indenture.

**North Park Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the North Park Project Revenue Bonds, Series 2008 and the Series 2014 Refunding Bonds, the collection of payments from Livingston Recreation District No. 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 No. 2 Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the Sewer District No. 2 Project Revenue Bonds, Series 2009, the collection of payments from Livingston Sewerage District No. 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 Debt Service Fund** - This fund accounts for the principal, interest, and related charges for the Courthouse Project 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, 2017**

	Bingo Fund	Jury Mileage Fund	Off-Duty Officer Witness Fund	Hazard Mitigation Grant Fund	Court Fee Special Revenue Fund	Public, Educational, and Governmental Access Fund	Mosquito Abatement Fund	Parish Transportation Capital Project Fund	Live Oak Sports Complex Capital Project Fund
<b>Assets</b>									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,787,794	\$ -	\$ -	\$ -	\$ -
Pooled Cash in Other Funds	12,714	106,155	80,220	-	-	90,552	102,406	1,284,788	-
Receivables	2,810	-	-	-	-	29,136	46,298	-	-
Restricted Cash	-	-	-	-	-	-	-	-	-
Due from Component Units	-	-	-	-	-	-	-	-	116,320
Due from Other Governments	-	10,632	6,294	1,459,165	152,581	-	-	84,607	-
<b>Total Assets</b>	<b>\$ 15,524</b>	<b>\$ 116,787</b>	<b>\$ 86,514</b>	<b>\$ 1,459,165</b>	<b>\$ 1,940,375</b>	<b>\$ 119,688</b>	<b>\$ 148,704</b>	<b>\$ 1,369,395</b>	<b>\$ 116,320</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	\$ -	\$ -	\$ 150	\$ 341,973	\$ -	\$ 122,300	\$ -	\$ -	\$ -
Deficit in Pooled Cash	-	-	-	739,965	65,219	-	-	-	-
Accrued Expenses Payable	4	-	-	-	-	-	-	-	-
Due to Component Units	-	-	-	-	-	-	-	-	116,320
Due to Other Governments	-	84,758	55,612	-	-	-	-	-	-
Due to Other Funds	-	-	-	334,823	-	-	-	-	-
<b>Total Liabilities</b>	<b>4</b>	<b>84,758</b>	<b>55,762</b>	<b>1,416,761</b>	<b>65,219</b>	<b>122,300</b>	<b>-</b>	<b>-</b>	<b>116,320</b>
<b>Fund Balances (Deficits)</b>									
Restricted for									
Construction	-	-	-	-	-	-	-	1,369,395	-
Criminal Court	-	32,029	-	-	-	-	-	-	-
Criminal Court Witness	-	-	30,752	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Assigned to									
Bingo	15,520	-	-	-	-	-	-	-	-
Court Fees	-	-	-	-	1,875,156	-	-	-	-
Other Purposes	-	-	-	-	-	-	148,704	-	-
Unassigned	-	-	-	42,404	-	(2,612)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>15,520</b>	<b>32,029</b>	<b>30,752</b>	<b>42,404</b>	<b>1,875,156</b>	<b>(2,612)</b>	<b>148,704</b>	<b>1,369,395</b>	<b>-</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 15,524</b>	<b>\$ 116,787</b>	<b>\$ 86,514</b>	<b>\$ 1,459,165</b>	<b>\$ 1,940,375</b>	<b>\$ 119,688</b>	<b>\$ 148,704</b>	<b>\$ 1,369,395</b>	<b>\$ 116,320</b>

See independent auditor's report.

Schedule 1

Jail Debt Service Fund	Library Debt Service Fund	Live Oak Sports Complex Debt Service Fund	Livingston Debt Service Fund	North Park Debt Service Fund	Sewer No. 2 Debt Service Fund	Courthouse Debt Service Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,787,794
-	-	-	-	-	-	-	1,676,835
-	-	-	-	-	-	-	78,244
1,323,063	600,467	968,465	101,537	807,923	135,930	364,079	4,301,464
-	-	-	-	-	509	-	116,829
-	1,075,390	-	-	4,000	-	-	2,792,669
<b>\$ 1,323,063</b>	<b>\$ 1,675,857</b>	<b>\$ 968,465</b>	<b>\$ 101,537</b>	<b>\$ 811,923</b>	<b>\$ 136,439</b>	<b>\$ 364,079</b>	<b>\$ 10,753,835</b>
\$ -	\$ -	\$ 368,152	\$ -	\$ -	\$ -	\$ -	\$ 832,575
-	838,246	-	-	4,000	-	-	1,647,430
-	-	-	-	-	-	-	4
-	-	18,804	-	13,333	518	-	148,975
-	19,920	-	-	-	-	-	160,290
-	55,000	3,000	-	3,000	3,000	-	398,823
-	913,166	369,956	-	20,333	3,518	-	3,188,097
-	-	-	-	-	-	-	1,369,395
-	-	-	-	-	-	-	32,029
-	-	-	-	-	-	-	30,752
1,323,063	762,691	578,509	101,537	791,590	132,921	364,079	4,054,390
-	-	-	-	-	-	-	15,520
-	-	-	-	-	-	-	1,875,156
-	-	-	-	-	-	-	148,704
-	-	-	-	-	-	-	39,792
<b>1,323,063</b>	<b>762,691</b>	<b>578,509</b>	<b>101,537</b>	<b>791,590</b>	<b>132,921</b>	<b>364,079</b>	<b>7,565,738</b>
<b>\$ 1,323,063</b>	<b>\$ 1,675,857</b>	<b>\$ 968,465</b>	<b>\$ 101,537</b>	<b>\$ 811,923</b>	<b>\$ 136,439</b>	<b>\$ 364,079</b>	<b>\$ 10,753,835</b>

**LIVINGSTON PARISH COUNCIL**  
**Combining Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended December 31, 2017**

	Bingo Fund	Jury Mileage Fund	Off-Duty Officer Witness Fund	Hazard Mitigation Grant Fund	Court Fee Special Revenue Fund	Public, Educational, and Governmental Access Fund	Mosquito Abatement Fund	Parish Transportation Capital Project Fund	Live Oak Sports Complex Capital Project Fund
<b>Revenues</b>									
Taxes									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Taxes	-	-	-	-	-	117,634	-	-	-
Licenses and Permits	16,901	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	132,012	86,471	-	1,401,092	-	-	-	-
Intergovernmental Revenues									
Federal Sources	-	-	-	2,537,331	-	-	-	-	-
State and Local Sources	-	-	-	-	-	-	-	1,015,136	-
Miscellaneous	-	-	-	-	-	-	114	-	-
Use of Money and Property	-	-	-	-	20,352	-	-	-	-
<b>Total Revenues</b>	<b>16,901</b>	<b>132,012</b>	<b>86,471</b>	<b>2,537,331</b>	<b>1,421,444</b>	<b>117,634</b>	<b>114</b>	<b>1,015,136</b>	<b>-</b>
<b>Expenditures</b>									
Current Expenditures									
General Government	41	116,156	85,168	-	-	195,577	-	-	-
Public Safety	-	-	-	2,097,093	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	625,604	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
<b>Total Current Expenditures</b>	<b>41</b>	<b>116,156</b>	<b>85,168</b>	<b>2,097,093</b>	<b>-</b>	<b>195,577</b>	<b>-</b>	<b>625,604</b>	<b>-</b>
Debt Service									
Bond Issuance Costs	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	4,000	-	-	-	-
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Outlay									
General Government	-	-	-	-	65,219	-	-	-	-
Public Safety	-	-	-	409,400	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,400</b>	<b>65,219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>41</b>	<b>116,156</b>	<b>85,168</b>	<b>2,506,493</b>	<b>69,219</b>	<b>195,577</b>	<b>-</b>	<b>625,604</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>16,860</b>	<b>15,856</b>	<b>1,303</b>	<b>30,838</b>	<b>1,352,225</b>	<b>(77,943)</b>	<b>114</b>	<b>389,532</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>									
Transfers In	-	-	-	-	-	73,276	-	-	-
Transfers Out	(7,500)	-	-	-	(1,041,795)	-	-	-	-
Transfers from Component Units	-	-	-	-	-	-	-	-	-
Bonds Issued	-	-	-	-	-	-	-	-	-
Premium Received on Bonds Issued	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(7,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,041,795)</b>	<b>73,276</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>9,360</b>	<b>15,856</b>	<b>1,303</b>	<b>30,838</b>	<b>310,430</b>	<b>(4,667)</b>	<b>114</b>	<b>389,532</b>	<b>-</b>
<b>Fund Balances (Deficits), Beginning of Year</b>	<b>6,160</b>	<b>16,173</b>	<b>29,449</b>	<b>11,566</b>	<b>1,564,726</b>	<b>2,055</b>	<b>143,590</b>	<b>979,863</b>	<b>-</b>
<b>Fund Balances (Deficits), End of Year</b>	<b>\$ 15,520</b>	<b>\$ 32,029</b>	<b>\$ 30,752</b>	<b>42,404</b>	<b>\$ 1,875,156</b>	<b>\$ (2,612)</b>	<b>\$ 143,704</b>	<b>\$ 1,369,395</b>	<b>\$ -</b>

See independent auditor's report.

Schedule 2

Jail Debt Service Fund	Library Debt Service Fund	Live Oak Sports Complex Debt Service Fund	Livingston Debt Service Fund	North Park Debt Service Fund	Sewer No. 2 Debt Service Fund	Courthouse Debt Service Fund	Total Non-Major Governmental Funds
\$ -	\$ 643,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,058
-	-	-	-	-	-	-	117,634
-	-	-	-	-	-	-	16,901
-	-	-	-	-	-	-	1,619,575
-	-	-	-	-	-	-	2,537,331
-	-	-	-	-	-	-	1,015,136
-	-	-	-	-	-	-	114
3,355	1,217	-	502	-	-	1,630	27,056
3,355	644,275	-	502	-	-	1,630	5,976,805
-	-	-	-	-	-	-	396,942
-	-	-	-	-	-	-	2,097,093
-	-	-	-	-	-	-	625,604
-	29,516	-	-	-	-	-	29,516
-	29,516	-	-	-	-	-	3,149,155
-	-	108,708	-	-	-	-	108,708
1,435,000	555,000	125,000	150,000	280,000	55,000	385,000	2,985,000
272,325	112,181	140,176	136,814	359,724	5,900	707,281	1,738,401
1,707,325	667,181	373,884	286,814	639,724	60,900	1,092,281	4,832,109
-	-	-	-	-	-	-	65,219
-	-	-	-	-	-	-	409,400
-	-	1,293,036	-	-	-	-	1,293,036
-	-	1,293,036	-	-	-	-	1,767,655
1,707,325	696,697	1,666,920	286,814	639,724	60,900	1,092,281	9,748,919
(1,703,970)	(52,422)	(1,666,920)	(286,312)	(639,724)	(60,900)	(1,090,651)	(3,772,114)
1,726,319	-	-	285,537	-	-	1,011,795	3,096,927
-	-	-	-	-	-	-	(1,049,295)
-	-	296,352	-	640,135	67,389	-	1,003,876
-	-	1,860,000	-	-	-	-	1,860,000
-	-	(46,518)	-	-	-	-	(46,518)
1,726,319	-	2,109,834	285,537	640,135	67,389	1,011,795	4,864,990
22,349	(52,422)	442,914	(775)	411	6,489	(78,856)	1,092,876
1,300,714	815,113	135,595	102,312	791,179	126,432	442,935	6,472,862
\$ 1,323,063	\$ 782,691	\$ 578,509	\$ 101,537	\$ 791,590	\$ 132,921	\$ 364,079	\$ 7,565,738

**LIVINGSTON PARISH COUNCIL  
Schedule of Insurance in Force  
For the Year Ended December 31, 2017**

**Schedule 3**

<b>Issuer</b>	<b>Expiration Date</b>	<b>Coverage</b>	<b>Amount</b>
AmRisc	9/28/2018	Property and Mobile Equipment Blanket Earthquake Flood (zones A & V)	\$ 5,000,000 5,000,000 2,500,000
Henry Insurance Services	7/13/2018	General Liability	1,000,000 /per occurrence 3,000,000 aggregate limit
One Beacon	9/28/2018	Commercial Vehicles and Equipment Terms Property and Equipment Terms	60,345,948 64,653,248
Great American	9/28/2018	Crime Employee Theft Forgery or Alteration Inside the Premises - Theft of Money/Securities Inside the Premises - Robbery or Safe Burglary Outside the Premises Computer Fraud Money Orders and Counterfeit Paper Currency	250,000 250,000 250,000 250,000 250,000 250,000 250,000
Hartford	9/28/2018	Boiler and Machinery Equipment Breakdown Limit	60,345,948

See independent auditor's report.

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Sewer Rates and**  
**Number of Customers**  
**For the Year Ended December 31, 2017**

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**Schedule 4**

Records maintained by Livingston Parish Council indicated the number of residential and commercial users for sewer systems for the year ended December 31, 2017, were as follows:

Residential Customer Count	289	Commercial Customer Count	11
Flat Fee	\$30	Flat Fee	\$40

See independent auditor's report.

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended December 31, 2017**

**Schedule 5**

**Agency Head**  
L. Layton Ricks, Jr., Parish President

<b>Purpose</b>	<b>Amount</b>
Salary	\$157,435
Benefits - Insurance	\$10,948
Benefits - Retirement	\$12,595
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$124
Travel	\$2,686
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**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 Livingston 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, 2017, 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 25, 2018. Our report expresses an adverse opinion on the aggregate discretely presented component units due to their exclusion from the financial statements.

**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.

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 a deficiency in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, which is identified as item 2017-001.

### **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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* which is identified as item 2017-002.

### **Livingston Parish Council's Responses to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 25, 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report

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

**Report on Compliance for Each Major Federal Program**

We have audited Livingston Parish Council's (the Council) compliance with the types of compliance requirements described in the OMB *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, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2017.

## **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 the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 the Uniform Guidance. Accordingly, this report 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 25, 2018

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

**Schedule 6**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Expenditures
<b>United States Department of Housing and Urban Development</b>			
Passed through the Louisiana Office of Community Development			
Rapid Rehousing	14.218	None	\$ 70,285
CDBG - State-Administered CDBG			
Community Development Block Grant - Gustav/Ike Recovery	14.228	None	889,988
Isaac HMGP Assistance LMI Cost Share	14.228	None	103,933
Isaac DRU - Waterway Debris	14.228	None	<u>215,197</u>
<b>Total United States Department of Housing and Urban Development</b>			<u>1,279,403</u>
<b>United States Department of the Interior</b>			
Bureau of Ocean Energy Management, Regulation and Enforcement			
Gulf of Mexico Energy Security Act of 2006 - ARRA	15.435		2,972
Fish and Wildlife Service			
Coastal Impact Assistance Program			
Bald Cypress/Tupelo Forest - Second Land Purchase	15.668		<u>186</u>
<b>Total United States Department of the Interior</b>			<u>3,158</u>
<b>United States Department of Transportation</b>			
Federal Highway Administration			
Passed through Louisiana Department of Transportation and Development			
Highway Planning and Construction Cluster			
Plantation Road/Enterprise Road	20.205	None	73,212
Formula Grants for Rural Areas	20.509	None	<u>212,661</u>
<b>Total United States Department of Transportation</b>			<u>285,873</u>

See independent auditor's report.

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

**Schedule 6**  
**(Continued)**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Expenditures
<b>United States Department of Homeland Security /</b>			
<b>Federal Emergency Management Agency</b>			
Passed through Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance	97.036	None	3,797,325
Hazard Mitigation Grant Program			
Hazard Mitigation Grant Program - S. Satsuma Drainage	97.039	1786-063-0010	37,621
Hazard Mitigation Grant Program - Flood Mitigation Assistance	97.029	EMT-2016-FM-E0005 (2)	917,166
Hazard Mitigation Grant Program - Acquisition and Elevation	97.039	4080-063-001	8,284
Hazard Mitigation Grant Program - Acquisition and Elevation	97.039	1792-063-0004	721,986
Hazard Mitigation Grant Program - Acquisition and Elevation	97.039	4080-063-001	94
Hazard Mitigation Grant Program - Acquisition and Elevation	97.039	4263-063-0002	19,904
Hazard Mitigation Grant Program - Statewide 5% Generator Project	97.039	1786022-0002	99,442
Hazard Mitigation Grant Program - Middle Colyell	97.039	1603-063-0007	49,050
Hazard Mitigation Grant Program - Live Oak Retrofit	97.039	4080-063-003	677,147
Hazard Mitigation Grant Program - Program Plan Update	97.039	4080-0005-0063	6,636
Emergency Management Performance Grant 2016	97.042	None	35,045
Emergency Management Performance Grant 2017	97.042	None	34,851
Homeland Security Grant Program			
State Homeland Security Program (SHSP) 2015	97.067	None	17,942
State Homeland Security Program (SHSP) 2016	97.067	None	66,440
<b>Total United States Department of Homeland Security / Federal Emergency Management Agency</b>			<u>6,488,933</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,057,367 *</u>

\* 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 independent auditor's report.

**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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; 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:

- \$212,661 to Livingston Parish Council on Aging on CFDA number 20.509.
- \$677,147 to Livingston Parish School Board on CFDA number 97.039.

**Indirect Cost Rate**

The Council did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2017**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |  |            |
|--|------------|
| 1. Type of auditor's report                            | Unmodified |
| 2. Internal control over financial reporting           |            |
| a. Material weaknesses identified?                     | None       |
| b. Significant deficiencies identified?                | Yes        |
| c. Noncompliance material to the financial statements? | Yes        |
| d. Other matters identified?                           | None       |

Federal Awards

- |   |            |
|---|------------|
| 1. Internal control over major programs   |            |
| a. Material weaknesses identified?  | None       |
| b. Significant deficiencies identified?   | None       |
| 2. Type of auditor's report issued on compliance for each major program               | Unmodified |
| 3. Audit findings disclosed that are required in accordance with the Uniform Guidance | No         |
| 4. Identification of major programs   |            |
| 14.228     Community Development Block Grants   |            |
| 97.029     Flood Mitigation Assistance  |            |
| 5. Dollar threshold used to distinguish between Type A and B programs                 | \$750,000  |
| 6. Auditee qualified as a low-risk auditee?   | Yes        |

See independent auditor's report.

LIVINGSTON PARISH COUNCIL  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2017

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Part II - Findings and Questioned Costs Related to the Financial Statements

2017-001 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.

2017-002 Failure to Amend Budget (LRS 39:1310)

*Criteria:* The Council is required to follow the requirements of the Louisiana Local Government Budget Act at LRS 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 27 to the financial statements for a complete list of unfavorable budget variances that exceed the 5% variance required by state law. Also, the Jail Sales Tax Fund and the Office of Emergency Preparedness Fund had fund deficits at December 31, 2017. The Jail Sales Tax Fund and the Office of Emergency Preparedness Fund budgeted deficits is also a violation of LRS 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.

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 2017**

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*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 Council 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.

**Part III - Other Matters Related to the Financial Statements**

None

**Part IV - Findings and Questioned Costs Related to Major Federal Programs**

None

**LIVINGSTON PARISH COUNCIL**  
**Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2016**

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**2016-001 Permits and Licenses**

*Status:* This finding has not been resolved. See current year finding 2017-001 in the accompanying schedule of findings and questioned costs.

**2016-002 Failure to Amend Budget**

*Status:* This finding has not been resolved. See current year finding 2017-002 in the accompanying schedule of findings and questioned costs.

**2016-003 Credit Cards**

*Status:* This finding has been resolved.

## AGREED-UPON PROCEDURES REPORT

Livingston Parish Council

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

**For the Period of January 1, 2017 - December 31, 2017**

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

We have performed the procedures enumerated below which were agreed to by Livingston Parish Council (the Council) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 to December 31, 2017. The Council's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

### ***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts***, including receiving, recording, and preparing deposits.
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

### LOUISIANA • TEXAS

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: We reviewed the Council's policies and procedures and noted that each of the required elements was included for a, c, d, e, g, h, and i. We noted that the purchasing policy did not address how vendors are added to the vendor list. We noted that the Council did not have policies for contracting and debt service.

Management's Response: The Council will update the purchasing policy to include approval of new vendors and will adopt policies for contracting and debt service.

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

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: During the fiscal year, the Council met with a quorum twice a month. The board minutes included financial update, budgets, and other non-budgetary items. The Council did have deficits in the Jail Sales Tax and Office of Emergency Preparedness funds. The Council does not have a formal/written plan to eliminate the deficit spending in those funds.

Management's Response: Management will adopt a formal/written plan to eliminate deficit spending which will be monitored by the Council.

## ***Bank Reconciliations***

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

Results: We obtained management's representation that the listing provided is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: For the accounts selected, all monthly bank reconciliations were prepared and reviewed and by the Finance Director who is an authorized check signer. We noted one outstanding check that has been outstanding for more than 6 months.

Management's Response: Each check requires two signatures, which management considers to be a mitigating factor. The Council will submit the outstanding check to the Louisiana Treasurer's unclaimed property division.

## ***Collections***

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

Results: We obtained management's representation that the listing provided is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:
  - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We noted six cash collection locations. We noted that employees responsible for collecting cash were bonded. We noted that employees who collect cash are not allowed to deposit cash in the bank, per policy and procedures, with the exception that one employee at the finance collection location who performs reconciliations will rarely collect cash if needed. We noted that the employees at the animal shelter share a cash register.

The Council has a formal process to reconcile cash collections to the general ledger, primarily through bank reconciliations performed by a person who is not responsible for cash collections. We also noted that a reconciliation of cash receipts to deposit is performed daily.

We selected a week with the largest collection volume for testing. For the finance cash collection location, we noted that 15 collections were deposited within one day of collection, 4 were deposited within 3 days of collection, and 1 was deposited within 10 days of collection. For the animal shelter cash collection location, we noted collections were deposited between 1 and 35 days of collection.

Management's Response: Management will work to improve the timeliness of deposits of cash collections.

- 7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: The Finance Director monitors revenues compared to budgeted amounts on a monthly basis.

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

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

Results: We obtained management's representation that the listing provided is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We noted that each disbursement was supported by an approved invoice. 15 of 25 disbursements were supported by an approved purchase order. We noted that the Council does not obtain a purchase order for recurring transactions. We noted 6 out of 25 disbursements were not supported by receiving documentation.

Management's Response: The Council will review its purchasing policy in regard to purchase orders and will require receiving documentation for all purchases.

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

Results: New vendors are approved by the purchasing agent who is not involved in processing payments.

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

Results: We noted that the persons with signatory authority have no responsibility for initiating or recording purchases.

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

Results: We noted that blank check stock is maintained in the safe with access restriction. We noted that access to print checks is limited to the A/P clerk.

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

Results: The Council does not use a signature stamp or machine. We noted that signed checks are returned to the receptionist for mailing.

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

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

Results: We obtained management's representation that the listing provided is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

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

Results: We noted that the Council has 18 credit cards and 83 fuel cards. For the cards selected for testing, we noted evidence that the monthly combined statement and supporting documentation was reviewed and approved. We noted no finance charges were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased).
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
  - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
  - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: We noted that the Council does not require itemized receipts on fuel card purchases as the documentation on the itemized receipt is contained on the monthly fuel card report which is reviewed by management. We noted no exceptions in our testing of credit card receipts.

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

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

Results: We obtained management's representation that the listing provided is complete.

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

Results: We obtained the Council's policies and procedures for travel expenses. The Council uses the state travel policy which does not exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose. (Note: For meal charges, there should also be documentation of the individuals participating.)
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
  - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We noted each reimbursement was supported by itemized receipt and documentation of business purpose. We noted that one travel reimbursement selected for testing included a flight cabin upcharge which is not allowed by state policy.

We noted no exceptions in reviewing the transactions' detail against the requirement of Article 7, Section 14 of the Louisiana Constitution.

We noted that all transactions were reviewed and approved by someone other than the person receiving reimbursement.

Management's Response: Management will notify employees that upcharges are not allowed by policy.

## ***Contracts***

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

Results: We obtained management's representation that the listing provided is complete.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: We noted a formal/written contract existed for all sampled contracts.

We noted that three of the five contracts were subject to the Louisiana Public Bid Law or Procurement Code. For those contracts, we noted that the Council complied with the Public Bid Law.

We noted that the largest payment from each contract agreed to the supporting invoice and contract terms.

We noted that the each contract was approved by the Council.

### ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We obtained management's representation that the listing provided is complete.

We noted that compensation paid to each employee sampled was in accordance with the approved pay rate in their personnel file for four out of the five employees. For one employee, the pay rate was different.

We noted that each employee tested received a raise during the year and that changes to pay rates/salaries were properly approved in writing.

Management's Response: Management will review personnel files and update pay rates.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We noted that daily attendance and leave for 14 out of 25 employees tested was documented. We noted that one employee was an exempt employee and that the Council does not require exempt employees to complete timesheets. We noted that 10 employees were employees of the Court or the District Attorney. Those employees provide documentation of their attendance to the Court and District Attorney. We noted that the PTO approval forms were approved for the 8 employees who took sick or vacation leave.

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

Results: We obtained management's representation that the listing provided is complete. Termination payments for employees selected were made in accordance with policy and were approved by management.

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

Results: The appropriate employee and employer portions of payroll taxes and retirement contributions were submitted to the applicable agencies by the required deadlines for all payroll tax and retirement contributions.

### ***Ethics (excluding nonprofits)***

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

Results: We noted that for each employee sampled, they completed the training during the fiscal year.

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

Results: Per our discussion with management, there were no alleged ethics violations during the fiscal year.

### ***Debt Service (excluding nonprofits)***

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

Results: We noted that the Council had one bond issuance in 2017. We noted that approval was obtained from the State Bond Commission.

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

Results: We noted that the Council met scheduled debt service for each of its outstanding debts during the year.

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

Results: We noted that the Council has one general obligation bond and that debt service exceeded tax revenues for that bond.

**Other**

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

Results: We noted no instances of misappropriation of public funds or assets, per inquiry with management and the fiscal administrator.

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

Results: We noted the LLA hotline notice per LRS 24:523.1 posted on the entrance to the Council office and on its website.

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

Results: No exceptions were noted in obtained management representation.

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This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to perform, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



A Professional Accounting Corporation

Covington, LA  
June 21, 2018