

**LIVINGSTON PARISH COUNCIL**  
**BASIC FINANCIAL STATEMENTS**  
**(PRIMARY GOVERNMENT ONLY)**  
**DECEMBER 31, 2012**  
**LIVINGSTON, LOUISIANA**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 04 2013

**LIVINGSTON PARISH COUNCIL  
LIVINGSTON, LOUISIANA**

**DECEMBER 31, 2012**

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LIVINGSTON, LOUISIANA**

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LIVINGSTON PARISH COUNCIL  
LIVINGSTON, LOUISIANA

DECEMBER 31, 2012

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**LIVINGSTON PARISH COUNCIL  
LIVINGSTON, LOUISIANA  
(225) 686-2266**

**PARISH PRESIDENT**

L. Layton Ricks, Jr.

**GOVERNING BOARD**

Chance M. Parent, District 1  
James R. Norred, Jr., District 2  
Cynthia G. Wale, District 3  
Marshall Harris, District 4  
Joan M Landry, District 5  
Sonya O Collins, District 6  
Ricky E. Goff, District 7  
Ronald L. Sharp, District 8  
Delos M. Blackwell, District 9

**FINANCE DIRECTOR**

Jennifer Meyers

**COUNCIL CLERK**

Lisa T. Frederick

**MEETING DATES**

2nd and 4th Thursday of Every Month

2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
3445 North Causeway Boulevard, Suite 536 • Metairie, LA 70002  
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June 28, 2013

## INDEPENDENT AUDITOR'S REPORT

The Honorable Layton Ricks, 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 activity, each major fund, the budgetary comparison statements of the major funds, and the aggregate remaining fund information of the Livingston Parish Council (the Council), as of and for the year ended December 31, 2012, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

#### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information**

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 is not reasonably determinable. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information is not reasonably determinable.

#### **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 and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Livingston Parish Council, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

#### **Qualified Opinion on Aggregate Remaining Fund Information**

In our opinion, except for the matter described in the the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate remaining fund information of the Livingston Parish Council as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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 activity, the major funds, each of the major fund budgetary comparative statements of the primary government of the Livingston Parish Council, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

## **Emphasis of Matters**

As described in Note 7 and Note 24 to the financial statements, in 2012, the Livingston Parish Council adopted new accounting guidance, GASB Statement No 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

As discussed in Note 23 to the financial statements, the Parish Council's special counsel and management have not been able to reasonably estimate and record the estimated assets, liabilities, revenues or expenses related to the hurricane debris cleanup that was necessary after Hurricane Gustav caused damages within Livingston Parish in September 2008. According to the Council's special counsel and management, the Federal Emergency Management Agency (FEMA) has denied the reimbursement requests of the Council relating to leaners and hangers. The Council is in the process of appealing the denial of claims for reimbursement of debris removal in the Gravity Drainage Districts and outside the Gravity Drainage Districts and contesting FEMA's denial. In addition, a lawsuit has been filed by contractors against Livingston Parish Council seeking a judgment to require the Council to pay the cost related to the debris cleanup on claims denied by FEMA. Due to the unresolved disputes and uncertainties involving the appeals with FEMA, the Council and special counsel 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 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, 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 the Livingston Parish Council's primary government financial statements. The schedules listed in the table of contents as Schedules 2 through 6 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, identified in the Table of Contents as Schedule 7, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements.



Schedules 1 through Schedule 4 and the schedule of expenditures of federal awards, Schedule 7, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Schedules 5 and 6 have not been subjected to the auditing procedures applied in the audit of the primary government basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2013, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Respectfully submitted,

*Harold J. Bougeois, CPA*

# LIVINGSTON PARISH COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Introduction

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

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

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

### Financial Highlights

- At December 31, 2012, the Council's assets exceeded its liabilities by \$91,764,691 (net position) Of this amount, \$68,840,707 is invested in capital assets, net of related debt, \$15,852,377 is restricted for construction; \$9,110,933 is restricted to meet the Council's ongoing obligations to its citizens for debt service, and \$91,851 is restricted for grant expenses, leaving a net deficit of \$2,131,177
- At December 31, 2012, the Council's governmental funds reported a combined ending fund balance of \$36,910,276 Of this amount, 8%, or \$280,947 is restricted for construction and 42.2% or \$15,571,430 is committed for construction; 24.5%, or \$9,049,314 is restricted for debt service, 0.8%, or \$288,971 is nonspendable for inventory; .2% or \$91,851 is restricted for grant expenditures while 4.8% or \$1,779,070 is committed for grant expenditures, 14.1% or \$5,198,394 is assigned to Health Unit expenditures, 9.4% or \$3,457,314 is assigned to Road Fund expenditures, 3% or \$118,325 is restricted for Other Purposes while 1.3% or \$496,469 is assigned to various other purposes, and 1.6%, or \$578,191 is an unassigned surplus.

### Overview of the Annual Financial Report

The financial statement's 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.

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

## LIVINGSTON PARISH COUNCIL

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

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

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

#### **Fund Financial Statements**

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

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

The governmental fund 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 13 through 22 of this report. Because the focus of governmental funds is narrower than the government-wide financial statements, there are differences in the information presented for government 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 statement provides 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 23 through 26 of this report.

# LIVINGSTON PARISH COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 statement 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 27 of this report.

### Government-Wide Financial Analysis

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

#### December 31, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	Total
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$ 42,742,724	\$ 45,946,586	\$ 148,880	\$ 89,042	\$ 42,891,604	\$ 46,035,628
Capital Assets	141,936,207	146,135,991	7,939,758	8,149,033	149,875,965	154,285,024
<b>Total Assets</b>	<b>184,678,931</b>	<b>192,082,577</b>	<b>8,088,638</b>	<b>8,238,075</b>	<b>192,767,569</b>	<b>200,320,652</b>
Deferred Outflow of Resources	431,056	-	-	-	431,056	-
<b>Total Assets and     Deferred Resources</b>	<b>\$ 185,109,987</b>	<b>\$ 192,082,577</b>	<b>\$ 8,088,638</b>	<b>\$ 8,238,075</b>	<b>\$ 193,198,625</b>	<b>\$ 200,320,652</b>
<b>Liabilities</b>						
Current Liabilities	\$ 5,760,765	\$ 5,238,329	\$ 39,845	\$ 129,191	\$ 5,800,610	\$ 5,367,520
Other Liabilities	92,893,620	97,833,209	2,739,704	2,809,927	95,633,324	100,643,136
<b>Total Liabilities</b>	<b>\$ 98,654,385</b>	<b>\$ 103,071,538</b>	<b>\$ 2,779,549</b>	<b>\$ 2,939,118</b>	<b>\$ 101,433,934</b>	<b>\$ 106,010,656</b>
<b>Net Position</b>						
Invested in Capital Assets, Net of Related Debt	63,640,152	64,310,254	5,200,555	5,346,828	68,840,707	69,657,082
Restricted	24,993,542	28,019,905	61,619	47,501	25,055,161	28,067,406
Unrestricted (Deficit)	(2,178,092)	(3,319,120)	46,915	(95,372)	(2,131,177)	(3,414,492)
<b>Total Net Position</b>	<b>\$ 86,455,602</b>	<b>\$ 89,011,039</b>	<b>\$ 5,309,089</b>	<b>\$ 5,298,957</b>	<b>\$ 91,764,691</b>	<b>\$ 94,309,996</b>

Approximately 75% 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 future spending.

**LIVINGSTON PARISH COUNCIL**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

Approximately 27% of the Council’s net position represents resources that are subject to external restriction on how they may be used. The Council’s restricted net assets consist of reserves required for capital projects and debt service

Approximately (2)% of the Council’s net position is unrestricted and may be used to meet the Council’s ongoing obligations to its citizens at the Council’s discretion

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

The Council’s activities increased its total net position by \$425,783 during the fiscal year. The increase in its governmental activities is \$369,997 and the increase in business activities is \$55,786

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

The Statement of Activities on Page 12 of the report indicates the Livingston Parish Council Revenues and Expenses by program

<b>General Revenues</b>		
Taxes	\$ 21,216,663	84.64%
Royalties	1,851,505	7.39%
<b>Other Grants and Contributions</b>		
Not Restricted	788,500	3.15%
Miscellaneous	1,129,838	4.51%
Interest Income	<u>78,510</u>	<u>0.31%</u>
<b>Total</b>	<b><u>\$ 25,065,016</u></b>	<b><u>100.00%</u></b>

Livingston Parish Council’s net expenses from governmental activities are detailed by function on the statement of activities

General Government	\$ 1,278,888	5.30%
Public Safety	3,071,268	12.72%
Public Works	14,600,214	60.47%
Health and Welfare	1,195,281	4.95%
Culture and Recreation	648,127	2.68%
Economic Development	103,759	0.43%
Debt Service Interest and Fees	<u>3,247,263</u>	<u>13.45%</u>
<b>Total</b>	<b><u>\$ 24,144,800</u></b>	<b><u>100.00%</u></b>

## LIVINGSTON PARISH COUNCIL

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

There are \$35.9 million in total expenses for governmental activities and about \$910 thousand in business activities from sewer and water services. Public works expenses account for \$18 million, or 50.1%, which is related to the construction and maintenance of the parish roads, bridges and related drainage. Public safety expenses account for \$5.7 million, or 15.8%, which is related to the operation of the parish jail and the Office of Homeland Security and Emergency Preparedness. General Government expenses account for \$5.6 million, or 15.6%, which is related to overall council government and the Judicial System. After Public Works and Public Safety, Debt Service Interest and Fees is the largest governmental expense, and will remain so for at least ten years. This accounts for \$4.4 million, or 12.2%, of total governmental activities. Other expenses including health and welfare, culture and recreation and economic development totaled \$2.2 million or 6.3% of total expenses.

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

#### **Governmental Funds**

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 13 through 22 of this report.

At the end of the current year, the Council's governmental funds reported a combined ending fund balance of \$36,910,276. This represents a decrease of \$857,824 from the prior year's ending balance. This decrease is largely due to capital project expenditures.

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

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

This approximately \$6 million, which is due to transfers from other funds, adversely affects the General Fund and Health Unit Fund, however, this amount is not readily collectible.

#### **Major Governmental Fund Budgetary Highlights**

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

**LIVINGSTON PARISH COUNCIL**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Capital Assets and Debt Administration**

**Capital Assets**

The Council's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$141,936,207 (net of depreciation) and \$7,939,758 (net of depreciation) for its business-type activities.

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

**Capital Assets (Net of Depreciation)  
December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Land	\$ 5,844,429	\$ 5,844,429
Buildings	45,105,087	45,943,301
Recreational Facilities	3,593,809	3,687,765
Improvements/Infrastructure	76,143,233	85,095,074
Machinery and Equipment	1,730,705	1,832,583
Furniture and Fixtures	76,086	105,026
Sewer System	2,026,297	1,293,920
Construction in Progress	<u>7,416,561</u>	<u>2,333,893</u>
Total	<u>\$ 141,936,207</u>	<u>\$ 146,135,991</u>

**Long-Term Debt**

At December 31, 2012, the Council had total debt outstanding of \$95,633,324. Of this total, \$6,129,041 is due within one year, \$89,504,283 is due after one year.

**Contacting the Council's Financial Management**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



## LIVINGSTON PARISH COUNCIL

## STATEMENT OF NET POSITION

DECEMBER 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,855,786	\$ 63,379	\$ 2,919,165
Investments	3,405,271	-	3,405,271
Receivables	1,068,419	38,845	1,107,264
Inventory	288,971	-	288,971
Internal Balances	22,383	(22,383)	-
Due from Other Governments	11,781,736	2,960	11,784,696
Unamortized Bond Issuance Costs	700,117	-	700,117
Prepaid Items	83,533	670	84,203
Restricted Assets			
Cash	22,536,508	65,409	22,601,917
Capital Assets, Net			
Non-depreciable	13,260,990	237,105	13,498,095
Depreciable - Net	128,675,217	7,702,653	136,377,870
Total Assets	184,678,931	8,088,638	192,767,569
Deferred Outflows of Resources			
Deferred Amount on Refunding of Debt	431,056	-	431,056
Total Assets and Deferred Outflows	\$ 185,109,987	\$ 8,088,638	\$ 193,198,625
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 4,167,305	\$ 36,055	\$ 4,203,360
Due to Other Governments	208,839	-	208,839
Unearned Revenue	19,700	-	19,700
Accrued Bond Interest Payable	1,364,921	3,790	1,368,711
Non-Current Liabilities.			
Due Within One Year	5,973,355	155,686	6,129,041
Due in More Than One Year	86,920,265	2,584,018	89,504,283
Total Liabilities	98,654,385	2,779,549	101,433,934
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	63,640,152	5,200,555	68,840,707
Restricted for			
Construction	15,852,377	-	15,852,377
Debt Service	9,049,314	61,619	9,110,933
Grant	91,851	-	91,851
Unrestricted	(2,178,092)	46,915	(2,131,177)
Total Net Position	86,455,602	5,309,089	91,764,691
Total Liabilities and Net Position	\$ 185,109,987	\$ 8,088,638	\$ 193,198,625

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**

**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities</b>				
General Government	\$ 5,615,095	\$ 1,382,122	\$ 2,328,766	\$ 625,319
Public Safety	5,676,400	1,319,252	1,180,110	105,770
Public Works	17,990,311	19,778	1,315,180	2,055,139
Health and Welfare	1,498,764	35,100	268,383	-
Culture and Recreation	648,127	-	-	-
Economic Development	103,759	-	-	-
Debt Service Interest and Fees	4,391,295	-	1,144,032	-
<b>Total Governmental Activities</b>	<b>35,923,751</b>	<b>2,756,252</b>	<b>6,236,471</b>	<b>2,786,228</b>
<b>Business-Type Activities</b>				
Utilities - Water and Sewer	910,123	313,390	102,300	-
<b>Total Business-Type Activities</b>	<b>910,123</b>	<b>313,390</b>	<b>102,300</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 36,833,874</b>	<b>\$ 3,069,642</b>	<b>\$ 6,338,771</b>	<b>\$ 2,786,228</b>

**General Revenues**

Taxes

Property

Sales

Franchise

Occupational

Other

Royalties

Other Grants and Contributions Not

Restricted to Specific Programs

Miscellaneous

Transfers

Use of Money and Property

**Total General Revenues**

**Change in Net Position**

**Net Position, Beginning of Year, As Restated**

**Net Position, End of Year**

The accompanying notes are an integral part of this statement

**Statement B**

<u>Primary Government</u>		
<u>Net Revenue (Expense )</u>		
<u>and Changes in Net Assets</u>		
<u>Governmental</u>	<u>Business-Type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Total</u>
\$ (1,278,888)	\$ -	\$ (1,278,888)
(3,071,268)	-	(3,071,268)
(14,600,214)	-	(14,600,214)
(1,195,281)	-	(1,195,281)
(648,127)	-	(648,127)
(103,759)	-	(103,759)
(3,247,263)	-	(3,247,263)
(24,144,800)	-	(24,144,800)
-		
-	(494,433)	(494,433)
-	(494,433)	(494,433)
(24,144,800)	(494,433)	(24,639,233)
5,351,798	-	5,351,798
13,711,531	-	13,711,531
1,191,002	-	1,191,002
930,328	-	930,328
32,004	-	32,004
1,851,505	-	1,851,505
788,500	-	788,500
1,129,838	-	1,129,838
(550,000)	550,000	-
78,291	219	78,510
24,514,797	550,219	25,065,016
369,997	55,786	425,783
86,085,605	5,253,303	91,338,908
<u>\$ 86,455,602</u>	<u>\$ 5,309,089</u>	<u>\$ 91,764,691</u>

**FUND FINANCIAL STATEMENTS**

LIVINGSTON PARISH COUNCIL

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2012

	General Fund	Health Unit Fund	Office of Emergency Preparedness Fund	Road Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 226,911	\$ 328,431	\$ 327,126	\$ 38,812
Investments	71,175	3,065,549	-	268,547
Receivables	574,901	475	396,997	66,007
Restricted Cash	91,851	-	-	-
Inventory	-	-	-	288,971
Due From Other Funds	4,026,470	-	-	1,388,509
Due From Other Governments	1,324,393	1,866,902	376,902	5,005,985
Advance to Jail Sales Tax Fund	3,431,708	300,000	-	-
<b>Total Assets</b>	<b>\$ 9,747,409</b>	<b>\$ 5,561,357</b>	<b>\$ 1,101,025</b>	<b>\$ 7,056,831</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 429,896	\$ 25,165	\$ 1,267,458	\$ 914,717
Accrued Expenses Payable	206,141	31,757	32,317	244,174
Due to Other Governments	34,642	78,492	-	78,492
Due to Other Funds	991,277	227,549	-	1,303,434
Unearned Revenue	19,700	-	-	-
Advance from Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,681,656</b>	<b>362,963</b>	<b>1,299,775</b>	<b>2,540,817</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Inventory	-	-	-	288,971
Restricted For				
Construction	-	-	-	-
Criminal Court	-	-	-	-
Criminal Court Witness	-	-	-	-
Debt Service	-	-	-	-
Grant Expenditures	91,851	-	-	-
Committed For				
Construction	-	-	-	149,422
State Grant Programs	4,000	-	-	502,219
Federal Grant Programs	1,154,763	-	-	118,088
Assigned To				
Bingo	-	-	-	-
Construction	-	-	-	-
Court Fees	-	-	-	-
Health Unit	-	5,198,394	-	-
Other Purposes	-	-	-	-
Road	-	-	-	3,457,314
Unassigned	6,815,139	-	(198,750)	-
<b>Total Fund Balances (Deficits)</b>	<b>8,065,753</b>	<b>5,198,394</b>	<b>(198,750)</b>	<b>4,516,014</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,747,409</b>	<b>\$ 5,561,357</b>	<b>\$ 1,101,025</b>	<b>\$ 7,056,831</b>

The accompanying notes are an integral part of this statement

Statement C

Courthouse Capital Outlay Fund	Road 06 Sinking Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,934,506	\$ 2,855,786
-	-	-	3,405,271
-	-	30,039	1,068,419
15,664,736	3,261,273	3,518,648	22,536,508
-	-	-	288,971
-	-	153,329	5,568,308
-	-	2,554,600	11,128,782
-	-	-	3,731,708
<u>\$ 15,664,736</u>	<u>\$ 3,261,273</u>	<u>\$ 8,191,122</u>	<u>\$ 50,583,753</u>
\$ 242,728	\$ -	\$ 738,272	\$ 3,618,236
-	-	34,680	549,069
-	-	17,213	208,839
-	-	3,023,665	5,545,925
-	-	-	19,700
-	-	3,731,708	3,731,708
<u>242,728</u>	<u>-</u>	<u>7,545,538</u>	<u>13,673,477</u>
-	-	-	288,971
-	-	280,947	280,947
-	-	63,925	63,925
-	-	54,400	54,400
-	3,261,273	5,788,041	9,049,314
-	-	-	91,851
15,422,008	-	-	15,571,430
-	-	-	506,219
-	-	-	1,272,851
-	-	28,620	28,620
-	-	238,269	238,269
-	-	175,763	175,763
-	-	-	5,198,394
-	-	53,817	53,817
-	-	-	3,457,314
-	-	(6,038,198)	578,191
<u>15,422,008</u>	<u>3,261,273</u>	<u>645,584</u>	<u>36,910,276</u>
<u>\$ 15,664,736</u>	<u>\$ 3,261,273</u>	<u>\$ 8,191,122</u>	<u>\$ 50,583,753</u>

**LIVINGSTON PARISH COUNCIL**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

DECEMBER 31, 2012

Fund balances - total governmental funds	\$ 36,910,276
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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 funds

Governmental capital assets	221,891,093	
Less accumulated depreciation	<u>(79,954,886)</u>	
		141,936,207

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

Unamortized bond issuance costs		700,117
Prepaid Insurance		83,533

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	400,043	
Louisiana revenue sharing	<u>252,911</u>	
		652,954

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

Bonds payable	(91,405,000)	
Accrued interest payable on bonds	(1,364,921)	
Net unamortized bond (premiums) paid or discounts withheld	(1,201,585)	
Deferred Amount on Refunding of Debt	431,056	
Compensated absences payable	<u>(287,035)</u>	
		<u>(93,827,485)</u>

Net position of governmental activities	<u>\$ 86,455,602</u>
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The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	General Fund	Health Unit Fund	Office of Emergency Preparedness Fund	Road Fund
<b>REVENUES</b>				
Taxes				
Property Taxes	\$ 886,857	\$ 2,009,670	\$ -	\$ 2,015,702
Sales Taxes	-	-	-	10,283,648
Franchise Taxes	1,144,542	-	-	-
Licenses and Permits	1,819,368	35,100	-	-
Fines and Forfeitures	33,844	-	-	-
Fees and Commissions	1,849,058	-	-	19,778
Intergovernmental Revenues				
Federal Sources	2,615,155	3,785	554,336	2,055,139
State and Local Sources	872,625	59,364	486,778	589,304
Miscellaneous	261,149	-	-	127,992
Use of Money and Property	11,661	17,193	915	13,937
<b>Total Revenues</b>	<b>9,494,259</b>	<b>2,125,112</b>	<b>1,042,029</b>	<b>15,105,500</b>
<b>EXPENDITURES</b>				
Current				
General Government	5,229,169	-	-	-
Public Safety	1,335,535	-	1,417,263	-
Public Works	53,832	-	-	5,639,079
Health & Welfare	242,721	936,323	-	-
Culture & Recreation	1,096	-	-	-
Economic Development	103,759	-	-	-
<b>Total Current</b>	<b>6,966,112</b>	<b>936,323</b>	<b>1,417,263</b>	<b>5,639,079</b>
Debt Service				
Principal	-	-	-	-
Interest and Fees	3,000	1,000	-	3,500
Cost of Issuance	-	-	-	-
<b>Total Debt Service</b>	<b>3,000</b>	<b>1,000</b>	<b>-</b>	<b>3,500</b>
Capital Outlay				
General Government	417,938	-	-	-
Public Safety	115,132	-	22,895	-
Public Works	1,042,547	-	-	2,855,697
<b>Total Capital Outlay</b>	<b>1,575,617</b>	<b>-</b>	<b>22,895</b>	<b>2,855,697</b>
<b>Total Expenditures</b>	<b>8,544,729</b>	<b>937,323</b>	<b>1,440,158</b>	<b>8,498,276</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>949,530</b>	<b>1,187,789</b>	<b>(398,129)</b>	<b>6,607,224</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Governmental Transfers In	1,821,532	-	250,000	-
Governmental Transfers Out	(2,105,167)	(677,000)	(5,000)	(5,027,250)
Proceeds from Refunding Bonds	-	-	-	-
Payment of Principal to Refunded Bond Escrow Agent	-	-	-	-
Payment of Interest to Refunded Bond Escrow Agent	-	-	-	-
Premiums (Discounts) on Debt	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>(283,635)</b>	<b>(677,000)</b>	<b>245,000</b>	<b>(5,027,250)</b>
<b>Net Change in Fund Balances</b>	<b>665,895</b>	<b>510,789</b>	<b>(153,129)</b>	<b>1,579,974</b>
<b>Fund Balances (Deficits), Beginning of Year</b>	<b>7,399,858</b>	<b>4,687,605</b>	<b>(45,621)</b>	<b>2,936,040</b>
<b>Fund Balances (Deficits), End of Year</b>	<b>\$ 8,065,753</b>	<b>\$ 5,198,394</b>	<b>\$ (198,750)</b>	<b>\$ 4,516,014</b>

The accompanying notes are an integral part of this statement



Statement E

<u>Courthouse Capital Outlay Fund</u>	<u>Road 06 Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 451,286	\$ 5,363,515
-	-	3,427,883	13,711,531
-	-	46,460	1,191,002
-	-	32,004	1,886,472
-	-	220,204	254,048
-	-	1,281,091	3,149,927
-	-	75,428	5,303,843
-	-	2,710,517	4,718,588
-	-	801,534	1,190,675
<u>23,479</u>	<u>54</u>	<u>11,052</u>	<u>78,291</u>
<u>23,479</u>	<u>54</u>	<u>9,057,459</u>	<u>36,847,892</u>
-	-	200,839	5,430,008
-	-	2,324,179	5,076,977
-	-	2,999,020	8,691,931
-	-	-	1,179,044
-	-	17,213	18,309
-	-	-	103,759
<u>-</u>	<u>-</u>	<u>5,541,251</u>	<u>20,500,028</u>
-	2,925,000	2,520,000	5,445,000
-	1,766,625	2,629,698	4,403,823
-	-	147,732	147,732
<u>-</u>	<u>4,691,625</u>	<u>5,297,430</u>	<u>9,996,555</u>
1,521,240	-	-	1,939,178
-	-	6,799	144,826
-	-	833,807	4,732,051
<u>1,521,240</u>	<u>-</u>	<u>840,606</u>	<u>6,816,055</u>
<u>1,521,240</u>	<u>4,691,625</u>	<u>11,679,287</u>	<u>37,312,638</u>
<u>(1,497,761)</u>	<u>(4,691,571)</u>	<u>(2,621,828)</u>	<u>(464,746)</u>
-	4,767,250	3,511,670	10,350,452
-	-	(3,086,035)	(10,900,452)
-	-	6,180,000	6,180,000
-	-	(5,675,000)	(5,675,000)
-	-	(431,056)	(431,056)
-	-	82,978	82,978
<u>-</u>	<u>4,767,250</u>	<u>582,557</u>	<u>(393,078)</u>
<u>(1,497,761)</u>	<u>75,679</u>	<u>(2,039,271)</u>	<u>(857,824)</u>
<u>16,919,769</u>	<u>3,185,594</u>	<u>2,684,855</u>	<u>37,768,100</u>
<u>\$ 15,422,008</u>	<u>\$ 3,261,273</u>	<u>\$ 645,584</u>	<u>\$ 36,910,276</u>

**LIVINGSTON PARISH COUNCIL**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ (857,824)
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 are allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	6,816,055
Depreciation expense	(11,015,839)
Less cost of capital assets retired during the year	(115,514)
Add accumulated depreciation of capital assets retired during the year	115,514
Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds.	
Property tax revenue	(11,717)
Louisiana revenue sharing	7,573
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Revenue refunding bond proceeds	(6,180,000)
Payment to refunded bond escrow agent	5,675,000
Deferred Amount on Advanced Refunding of Debt	431,056
(Premiums) discounts on debt issuance	(82,978)
Principal payments on loans and notes	5,445,000
Amortization of bond issuance costs	(43,365)
Amortization of bond premiums and discounts (net)	99,156
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 compensated absences payable	(16,589)
Change in accrued interest expense	104,469
Change in net position of governmental activities	\$ 369,997

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes				
Property Taxes	\$ 825,000	\$ 944,677	\$ 886,857	\$ (57,820)
Franchise Taxes	935,000	1,099,928	1,144,542	44,614
Licenses and Permits	1,655,000	2,116,188	1,819,368	(296,820)
Fines and Forfeitures	30,500	32,232	33,844	1,612
Fees and Commissions	1,674,650	1,710,205	1,849,058	138,853
Intergovernmental Revenues				
Federal Sources	308,000	2,231,966	2,615,155	383,189
State and Local Sources	1,916,686	732,881	872,625	139,744
Miscellaneous	141,953	93,147	261,149	168,002
Use of Money and Property	5,742	7,442	11,661	4,219
<b>Total Revenues</b>	<b>7,492,531</b>	<b>8,968,666</b>	<b>9,494,259</b>	<b>525,593</b>
<b>Expenditures:</b>				
Current Expenditures.				
General Government	5,488,246	6,715,934	5,229,169	1,486,765
Public Safety	1,304,149	1,320,562	1,335,535	(14,973)
Public Works	61,496	55,874	53,832	2,042
Health and Welfare	265,305	163,596	242,721	(79,125)
Culture and Recreation	1,381	1,496	1,096	400
Economic Development	160,825	103,078	103,759	(681)
<b>Total Current Expenditures</b>	<b>7,281,402</b>	<b>8,360,540</b>	<b>6,966,112</b>	<b>1,394,428</b>
<b>Debt Service:</b>				
Interest and Fees	-	-	3,000	(3,000)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>(3,000)</b>
<b>Capital Outlay:</b>				
General Government	36,500	14,623	417,938	(403,315)
Public Safety	-	51,710	115,132	(63,422)
Public Works	-	-	1,042,547	(1,042,547)
<b>Total Capital Outlay</b>	<b>36,500</b>	<b>66,333</b>	<b>1,575,617</b>	<b>(1,509,284)</b>
<b>Total Expenditures</b>	<b>7,317,902</b>	<b>8,426,873</b>	<b>8,544,729</b>	<b>(117,856)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>174,629</b>	<b>541,793</b>	<b>949,530</b>	<b>407,737</b>

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources and (Uses):</b>				
Governmental Transfers In	1,685,372	1,810,067	1,821,532	11,465
Governmental Transfers Out	<u>(1,801,266)</u>	<u>(2,054,498)</u>	<u>(2,105,167)</u>	<u>(50,669)</u>
Total Other Financing Sources and (Uses)	<u>(115,894)</u>	<u>(244,431)</u>	<u>(283,635)</u>	<u>(39,204)</u>
<b>Net Change in Fund Balance</b>	58,735	297,362	665,895	368,533
<b>Fund Balance, Beginning of Year</b>	<u>7,399,858</u>	<u>7,399,858</u>	<u>7,399,858</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u><u>\$7,458,593</u></u>	<u><u>\$7,697,220</u></u>	<u><u>\$8,065,753</u></u>	<u><u>\$ 368,533</u></u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**HEALTH UNIT - SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes				
Property Taxes	\$1,750,000	\$1,851,578	\$2,009,670	\$ 158,092
Licenses and Permits	35,000	36,580	35,100	(1,480)
Intergovernmental Revenues:				
Federal Sources	-	-	3,785	3,785
State and Local Sources	56,500	51,741	59,364	7,623
Use of Money and Property	12,000	13,842	17,193	3,351
Total Revenues	<u>1,853,500</u>	<u>1,953,741</u>	<u>2,125,112</u>	<u>171,371</u>
<b>Expenditures:</b>				
Current Expenditures:				
Health and Welfare	970,957	858,421	936,323	(77,902)
Total Current Expenditures	<u>970,957</u>	<u>858,421</u>	<u>936,323</u>	<u>(77,902)</u>
<b>Debt Service:</b>				
Interest and Fees	-	-	1,000	(1,000)
Total Debt Service	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Total Expenditures	<u>970,957</u>	<u>858,421</u>	<u>937,323</u>	<u>(78,902)</u>
Excess of Revenues Over Expenditures	<u>882,543</u>	<u>1,095,320</u>	<u>1,187,789</u>	<u>92,469</u>
<b>Other Financing Uses:</b>				
Governmental Transfers Out	(682,841)	(682,841)	(677,000)	5,841
Total Other Financing Uses	<u>(682,841)</u>	<u>(682,841)</u>	<u>(677,000)</u>	<u>5,841</u>
<b>Net Change in Fund Balance</b>	199,702	412,479	510,789	98,310
<b>Fund Balance, Beginning of Year</b>	<u>4,687,605</u>	<u>4,687,605</u>	<u>4,687,605</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$4,887,307</u>	<u>\$5,100,084</u>	<u>\$5,198,394</u>	<u>\$ 98,310</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
**OFFICE OF EMERGENCY PREPAREDNESS -**  
**SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues				
Federal Sources	\$ 435,000	\$ 512,809	\$ 554,336	\$ 41,527
State and Local Sources	-	465,148	486,778	21,630
Use of Money and Property	1,000	1,001	915	(86)
Total Revenues	<u>436,000</u>	<u>978,958</u>	<u>1,042,029</u>	<u>63,071</u>
<b>Expenditures:</b>				
Current Expenditures:				
Public Safety	668,743	1,142,734	1,417,263	(274,529)
Total Current Expenditures	<u>668,743</u>	<u>1,142,734</u>	<u>1,417,263</u>	<u>(274,529)</u>
Capital Outlay:				
Public Safety	10,000	-	22,895	(22,895)
Total Capital Outlay	<u>10,000</u>	<u>-</u>	<u>22,895</u>	<u>(22,895)</u>
Total Expenditures	<u>678,743</u>	<u>1,142,734</u>	<u>1,440,158</u>	<u>(297,424)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(242,743)</u>	<u>(163,776)</u>	<u>(398,129)</u>	<u>(234,353)</u>
<b>Other Financing Sources and (Uses):</b>				
Governmental Transfers In	250,000	250,000	250,000	-
Governmental Transfers Out	(5,000)	(5,000)	(5,000)	-
Total Other Financing Sources and (Uses)	<u>245,000</u>	<u>245,000</u>	<u>245,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	2,257	81,224	(153,129)	(234,353)
<b>Fund Balance (Deficit), Beginning of Year</b>	<u>(45,621)</u>	<u>(45,621)</u>	<u>(45,621)</u>	<u>-</u>
<b>Fund Balance (Deficit), End of Year</b>	<u>\$ (43,364)</u>	<u>\$ 35,603</u>	<u>\$ (198,750)</u>	<u>\$ (234,353)</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL  
ROAD - SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes.				
Property Taxes	\$1,850,000	\$1,851,578	\$2,015,702	\$ 164,124
Sales Taxes	9,250,000	10,296,346	10,283,648	(12,698)
Fees and Commissions	10,000	16,249	19,778	3,529
Intergovernmental Revenues				
Federal Sources	-	1,686,889	2,055,139	368,250
State and Local Sources	201,800	211,235	589,304	378,069
Miscellaneous	3,100	(3,674)	127,992	131,666
Use of Money and Property	5,000	9,069	13,937	4,868
<b>Total Revenues</b>	<b>11,319,900</b>	<b>14,067,692</b>	<b>15,105,500</b>	<b>1,037,808</b>
<b>Expenditures:</b>				
Current Expenditures:				
Public Works	5,668,574	4,791,710	5,639,079	(847,369)
<b>Total Current Expenditures</b>	<b>5,668,574</b>	<b>4,791,710</b>	<b>5,639,079</b>	<b>(847,369)</b>
<b>Debt Service:</b>				
Interest and Fees	-	-	3,500	(3,500)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>3,500</b>	<b>(3,500)</b>
<b>Capital Outlay:</b>				
Public Works	225,000	3,179,805	2,855,697	324,108
<b>Total Capital Outlay</b>	<b>225,000</b>	<b>3,179,805</b>	<b>2,855,697</b>	<b>324,108</b>
<b>Total Expenditures</b>	<b>5,893,574</b>	<b>7,971,515</b>	<b>8,498,276</b>	<b>(526,761)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>5,426,326</b>	<b>6,096,177</b>	<b>6,607,224</b>	<b>511,047</b>
<b>Other Financing Uses:</b>				
Governmental Transfers In	-	50,000	-	(50,000)
Governmental Transfers Out	(4,955,125)	(5,127,208)	(5,027,250)	99,958
<b>Total Other Financing Uses</b>	<b>(4,955,125)</b>	<b>(5,077,208)</b>	<b>(5,027,250)</b>	<b>49,958</b>

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**  
**ROAD - SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET TO ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Net Change in Fund Balance</b>	471,201	1,018,969	1,579,974	561,005
<b>Fund Balance, Beginning of Year</b>	<u>2,936,040</u>	<u>2,936,040</u>	<u>2,936,040</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u><u>\$3,407,241</u></u>	<u><u>\$3,955,009</u></u>	<u><u>\$4,516,014</u></u>	<u><u>\$ 561,005</u></u>

The accompanying notes are an integral part of this statement



**LIVINGSTON PARISH COUNCIL**  
**BUSINESS TYPE ACTIVITIES - UTILITY ENTERPRISE FUND**

**STATEMENT OF NET POSITION**

DECEMBER 31, 2012

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$ 63,379
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$752,000)	38,845
Due From Other Governments	2,960
Due from Other Funds	<u>517,617</u>
Total Current Assets	622,801

**Noncurrent Assets:**

Bond Covenant Accounts	65,409
------------------------	--------

**Capital Assets:**

Land	13,243
Construction in Progress	223,862
Sewer and Water System	<u>9,261,411</u>
Total Capital Assets	9,498,516
Less Accumulated Depreciation	<u>(1,558,758)</u>
Total Capital Assets (Net of Accumulated Depreciation)	7,939,758

Deposits	<u>670</u>
Total Noncurrent Assets	<u>8,005,837</u>
Total Assets	<u><u>\$ 8,628,638</u></u>

The accompanying notes are an integral part of this statement.

**Statement H**

**LIABILITIES**

**Current Liabilities:**

Accounts Payable	\$ 13,803
Accrued Expenses Payable	8,470
Accrued Interest Payable	3,790
Due to Other Funds	540,000
Customer Deposits	13,782
Current Portion of Debt	155,561
Accumulated Unpaid Vacation	<u>125</u>
Total Current Liabilities	735,531

**Noncurrent Liabilities:**

Debt Payable after One Year	2,583,642
Accumulated Unpaid Vacation	<u>376</u>
Total Noncurrent Liabilities	<u>2,584,018</u>
Total Liabilities	<u>3,319,549</u>

**NET POSITION**

Investment in Capital Assets - Net of Related Debt	5,200,555
Restricted for Debt Service	61,619
Unrestricted Net Position	<u>46,915</u>
Total Net Position	<u>5,309,089</u>
Total Liabilities and Net Position	<u><u>\$ 8,628,638</u></u>

**LIVINGSTON PARISH COUNCIL  
BUSINESS TYPE ACTIVITIES - UTILITY ENTERPRISE FUND**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2012

<b>Operating Revenues:</b>	
Charges for Services	\$ 209,122
Charges for Penalties	104,220
Miscellaneous Charges	48
Total Operating Revenue	313,390
<b>Operating Expenses:</b>	
Personal Services	51,975
Employee Benefits	54,564
Bad Debt Expense	163,000
Cost of Materials	6,940
Depreciation	278,008
Office Expenses	8,150
Professional Services	94,432
Repairs and Maintenance	88,676
Utilities and Telephone	55,217
Total Operating Expenses	800,962
Net Operating Loss	(487,572)
<b>Non Operating Revenues (Expenses):</b>	
Interest Income	219
Operating Federal Grant	82,960
Operating State and Local Grants	19,340
Interest on Long-Term Debt	(109,161)
Total Non Operating Revenues (Expenses)	(6,642)
Loss Before Transfers	(494,214)
Transfers In	550,000
Change in Net Position	55,786
<b>Net Position at Beginning of Year, As Restated</b>	<b>5,253,303</b>
<b>Net Position at End of Year</b>	<b>\$ 5,309,089</b>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL  
BUSINESS-TYPE ACTIVITIES - UTILITY ENTERPRISE FUND**

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2012

**Cash Flows From Operating Activities:**

Cash Received from Customers	\$ 124,723
Cash Payments to Suppliers for Goods and Services	(348,359)
Cash Payments to Employees for Services and Benefits	<u>(108,752)</u>
Net Cash Used in Operating Activities	<u>(332,388)</u>

**Cash Flows from Noncapital and Related Financing Activities:**

Transfers from Other Funds	550,000
Operating Grants	99,340
Net Increase in Customer Deposits	<u>1,172</u>
Net Cash Provided by Noncapital and Related Financing Activities	<u>650,512</u>

**Cash Flows from Capital and Related Financing:**

Acquisition and Construction of Capital Assets	(68,733)
Interest Paid on Long Term Debt	(109,743)
Principal Paid on Long Term Debt	<u>(63,002)</u>
Net Cash Used in Capital and Related Financing	<u>(241,478)</u>

**Cash Flows from Investing Activities:**

Interest Income	<u>219</u>
Net Cash Provided by Investing Activities	<u>219</u>

**Net Increase in Cash**

76,865

**Cash at Beginning of Year**

51,923

**Cash at End of Year**

\$ 128,788

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**  
**BUSINESS-TYPE ACTIVITIES - UTILITY ENTERPRISE FUND**

**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Reconciliation of Net Operating Loss to Net Cash**

**Used in Operating Activities:**

Operating Loss	\$ (487,572)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Depreciation Expense	278,008
Provision for Bad Debts	163,000

**Changes in Assets and Liabilities:**

(Increase) Decrease in Accounts Receivable	(188,667)
Increase (Decrease) in Accounts Payable - Trade	(94,944)
Increase (Decrease) in Accrued Expenses	5,008
Increase (Decrease) in Accumulated Unpaid Vacation	<u>(7,221)</u>

Net Cash Used in Operating Activities \$ (332,388)

**Reconciliation of Cash at Year End to the  
Statement of Net Position:**

Cash and Cash Equivalents	\$ 63,379
Bond Covenant Accounts	<u>65,409</u>
Total Cash and Cash Equivalents	<u>\$ 128,788</u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

# LIVINGSTON PARISH COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

### **INTRODUCTION**

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

The area of Livingston Parish is approximately 702 square miles and the Council maintains 724 miles of roads. The estimated population of Livingston Parish is 128,549 based on the 2010 census and the Council employs approximately 211 persons as of December 31, 2012.

Louisiana Revised Statute 33.1236 gives the President and Council various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government, to regulate the construction and maintenance of roads, bridges, and drainage, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various state and federal grants.

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

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. FINANCIAL 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 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.

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

**LIVINGSTON PARISH COUNCIL**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes

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

<u>COMPONENT UNIT</u>	<u>FISCAL YEAR END</u>	<u>CRITERIA USED</u>
Fire Protection Districts:		
No 1	31-Dec	1 and 3
No 2	30-Jun	1 and 3
No 4	31-Dec	1 and 3
No. 5	31-Dec	1 and 3
No 6	30-Jun	1 and 3
No. 7	31-Dec	1 and 3
No 8	30-Jun	1 and 3
No 9	30-Jun	1 and 3
No 10	31-Dec	1 and 3
No 11	30-Jun	1 and 3
No 12	30-Jun	1 and 3

(CONTINUED)



**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

<u>COMPONENT UNIT</u>	<u>FISCAL YEAR END</u>	<u>CRITERIA USED</u>
Recreation Districts:		
No. 2	31-Dec	1 and 3
No 3	31-Dec	1 and 3
No 4	31-Dec	1 and 3
No. 5	31-Dec	1 and 3
No. 6	31-Dec	1 and 3
No. 7	31-Dec	1 and 3
No 8	31-Dec	1 and 3
No 9	31-Dec	1 and 3
Livingston Parish Gas Utility District	30-Nov	1 and 3
Sewerage Districts		
No 1	31-Dec	1 and 3
No 2	31-Dec	1 and 3
Waterworks Districts:		
Ward 2	31-Dec	1 and 3
Ward 6	31-Dec	1 and 3
Gravity Drainage Districts		
No. 1	31-Dec	1 and 3
No 2	31-Dec	1 and 3
No 5	31-Dec	1 and 3
Communication District	31-Dec	1 and 3
Livingston Parish Library Commission	31-Dec	1 and 3
Community Development Districts		
Carter Plantation	31-Dec	1 and 3
Carter Plantation Marina	31-Aug	1 and 3
Greystone	31-Dec	1 and 3
Isabella	31-Dec	1 and 3
Juban Park	31-Dec	1 and 3
Whispering Springs	31-Dec	1 and 3
Livingston Parish Clerk of Court	30-Jun	2 and 3
Livingston Parish Tax Assessor	31-Dec	2 and 3

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

GASB Statement 61 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Parish 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 generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government only 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

**B. BASIS OF PRESENTATION**

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

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

## LIVINGSTON PARISH COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

#### 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 government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost 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 THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**Fund Financial Statements**

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

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements.

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

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

**Health Unit Fund** - This fund accounts for state and parish health programs. The major means of financing are provided by ad valorem taxes, state revenue sharing, and permits.

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

**Road Fund** - This fund accounts for maintenance of parish wide roads and streets. Major means of financing are provided by the State of Louisiana Parish Transportation Fund, sales tax, ad-valorem tax, and state revenue sharing.

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

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

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

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

**Proprietary Fund:**

***Enterprise Funds*** - 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 is provided to residents that live in areas where these services are not already provided by another entity.

**Fiduciary Fund**

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

**Sales Tax District Six** - This fund accounts for the collection and distribution of a one-half percent sales and use tax levied by Sales Tax District Number Six for Gravity Drainage District Number Two. Since all collections received during the year were disbursed, the fiduciary fund does not have any assets or liabilities to report as of December 31, 2012.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is 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.

**Fund Financial Statements**

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, 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 includes sales tax, property tax, grants, and donations. Property taxes are recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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, is recorded on the accrual basis when the exchange takes place. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Council's utility fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. 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, 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, to become effective January 1. In no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year.

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

**LIVINGSTON PARISH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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, Office of Emergency Preparedness Fund and Road Fund) annual budgets are presented in the basic financial statements. Other major funds and the nonmajor governmental fund budget presentations appear in the supplementary section of the financial statements.

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

**E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

**1. 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.

**2. 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 and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable based on agings and estimated charge-off percentages comprise the trade accounts receivable allowance for uncollectibles. 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 of the following year, at which time the applicable property is subject to lien, and penalties and interest are assessed.



**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

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

**3. Inventories and Prepaid Items**

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

**4. Restricted Assets**

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

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical 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 THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

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

<u>ASSET TYPE</u>	<u>YEARS</u>
Buildings	5 - 40
Improvements other than buildings	20 - 40
Machinery and equipment	3 - 10
Computer equipment	5
Vehicles	6
Infrastructure	20 - 40

**6. Long-term Obligations**

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

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

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**7. 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. As of December 31, 2012, the accrued liability for unpaid vacation benefits amounted to \$287,536. The amount applicable to the Business-type activities was \$501, and is recorded in the Utility Enterprise Fund, and the amount of \$287,035 applicable to the Governmental Activities is reflected on the Statement of Net Position.

In accordance with GASB-16, Accounting for Compensated Absences, no liability has been accrued for unused employee sick leave. In addition, applicable percentages of retirement contribution, social security, and medicare have been added to the above accrued leave.

**8. Net Position and Fund Balance**

*Government-wide Statements*

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

- a Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Statements*

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

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

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

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

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

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

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

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

**9. Accounting Estimates**

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

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 2. CASH AND CASH EQUIVALENTS**

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

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

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, 2012:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>Balance per Balance Sheet</b>			
<u>Unrestricted</u>			
Cash in Bank Accounts	\$ 2,853,886	\$ 63,329	\$ 2,917,215
Petty Cash	1,900	50	1,950
	<u>2,855,786</u>	<u>63,379</u>	<u>2,919,165</u>
<u>Restricted</u>	<u>22,536,508</u>	<u>65,409</u>	<u>22,601,917</u>
	<u>\$ 25,392,294</u>	<u>\$ 128,788</u>	<u>\$ 25,521,082</u>
<b>Bank Balances</b>			
Unrestricted	\$ 3,309,562	\$ 63,379	\$ 3,372,941
Restricted	<u>22,536,508</u>	<u>65,409</u>	<u>22,601,917</u>
	<u>\$ 25,846,070</u>	<u>\$ 128,788</u>	<u>\$ 25,974,858</u>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

*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 returned to it. As of December 31, 2012, \$3,214,646 of the Council's bank balance of \$25,974,858 was exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Council's name. The remainder of the Council's bank balance was either insured by the Federal Deposit Insurance Corporation or it was held in a bank trust department where state law requires the bank trust department to deposit securities with an unaffiliated bank that is equal to the amount held in trust

**NOTE 3. INVESTMENTS**

Investments held at December 31, 2012 consist of \$3,405,271 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 the 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 LA - R S. 33.2955

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

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

- Credit Risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool, therefore, no disclosure is required
- Concentration of credit risk. Pooled investments are excluded from the 5 percent disclosure requirement
- Interest rate risk. 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

**LIVINGSTON PARISH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

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

**NOTE 4. RECEIVABLES**

Receivables as of December 31, 2012, for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows.

	<u>Fanchise Taxes</u>	<u>Royalties</u>	<u>Accounts</u>	<u>Less Allowance for Uncollectible</u>	<u>Total Net Receivable</u>
<u>Governmental Activities</u>					
General Fund	\$ 290,574	\$ 161,176	\$ 123,151	\$ -	\$ 574,901
Health Unit Fund	-	-	475	-	475
Office of Emergency Preparedness Fund	-	-	396,997	-	396,997
Road Fund	-	-	66,007	-	66,007
Nonmajor Funds	<u>26,006</u>	<u>-</u>	<u>4,033</u>	<u>-</u>	<u>30,039</u>
Total Governmental Activities	316,580	161,176	590,663	-	1,068,419
<u>Business-Type Activities</u>					
Utility Enterprise Fund	<u>-</u>	<u>-</u>	<u>790,845</u>	<u>(752,000)</u>	<u>38,845</u>
Total Receivables	<u>\$ 316,580</u>	<u>\$ 161,176</u>	<u>\$ 1,381,508</u>	<u>\$ (752,000)</u>	<u>\$ 1,107,264</u>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 5. DUE FROM OTHER GOVERNMENTS**

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

	Federal	State	School Board	Sheriff	Other	Total
<u>Governmental Activities</u>						
General Fund	\$ 294,864	\$ 173,360	\$ -	\$ 856,169	\$ -	\$ 1,324,393
Health Unit Fund	3,785	-	-	1,863,117	-	1,866,902
Office of Emergency						
Preparedness Fund	376,528	374	-	-	-	376,902
Road Fund	1,132,439	184,478	1,767,404	1,921,664	-	5,005,985
Nonmajor Funds	386,975	191,986	589,135	1,226,884	159,620	2,554,600
Adjustment to Full Accrual						
Basis of Accounting	-	-	-	652,954	-	652,954
Total Governmental						
Activities	2,194,591	550,198	2,356,539	6,520,788	159,620	11,781,736
<u>Business-Type Activities</u>						
Utility Enterprise Fund	2,960	-	-	-	-	2,960
Total Receivables	<u>\$ 2,197,551</u>	<u>\$ 550,198</u>	<u>\$ 2,356,539</u>	<u>\$ 6,520,788</u>	<u>\$ 159,620</u>	<u>\$ 11,784,696</u>

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

	Ad Valorem Taxes	Revenue Sharing	Occupational and Alcohol Licenses	Fines and Forfeitures	Other	Total
<u>Governmental Activities</u>						
General Fund	\$ 814,371	\$ 33,785	\$ 1,314	\$ -	\$ 6,699	\$ 856,169
Health Unit Fund	1,837,943	20,558	-	-	4,616	1,863,117
Road Fund	1,843,940	72,112	-	-	5,612	1,921,664
Nonmajor Funds	412,560	-	-	14,416	799,908	1,226,884
Adjustment to Full Accrual						
Basis of Accounting	400,043	252,911	-	-	-	652,954
Total Governmental						
Activities	<u>\$ 5,308,857</u>	<u>\$ 379,366</u>	<u>\$ 1,314</u>	<u>\$ 14,416</u>	<u>\$ 816,835</u>	<u>\$ 6,520,788</u>



**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 6. AD VALOREM TAXES**

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

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

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

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

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

Fund	Expiration Date	Assessed Millage	Taxable Assessed Valuations	Taxes Assessed For	
				General Purpose	Special Purposes
<b>General Fund</b>					
Parish Tax	Statutory	2.320	323,150,680	\$ 749,710	\$ -
Within Municipalities	Statutory	1.160	119,497,690	138,617	-
Health Unit Fund	12/31/2014	4.560	442,648,370	-	2,018,477
Road Fund	12/31/2022	4.560	442,648,370	-	2,018,477
<b>Library Debt Service</b>					
Sinking Fund	12/31/2023	1.000	442,648,370	-	442,649
<b>Total</b>				<b>\$ 888,327</b>	<b>\$ 4,479,603</b>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

Ad valorem taxes as presented in the government-wide financial statements are as follows.

	General Fund	Health Unit Fund	Road Fund	Library Debt Service Sinking Fund	Total
<b>Revenues:</b>					
Assesed Taxes	\$ 888,327	\$ 2,018,477	\$ 2,018,477	\$ 442,649	\$ 5,367,930
Add Accumulated Taxes Paid in					
Protest Released by Sheriff	24,988	42,347	48,526	18,868	134,729
Less Allowance for					
Uncollectible Taxes	(21,971)	(49,880)	(49,880)	(10,939)	(132,670)
Adjustment for Over / (Under) Collection of Prior Year Receivable	<u>(5,609)</u>	<u>(7,585)</u>	<u>(7,536)</u>	<u>2,539</u>	<u>(18,191)</u>
	<u>\$ 885,735</u>	<u>\$ 2,003,359</u>	<u>\$ 2,009,587</u>	<u>\$ 453,117</u>	<u>\$ 5,351,798</u>
<b>Receivable:</b>					
Assesed Taxes	\$ 888,327	\$ 2,018,477	\$ 2,018,477	\$ 442,649	\$ 5,367,930
Add Accumulated Taxes Paid in					
Protest Released by Sheriff	24,988	42,347	48,526	18,868	134,729
Less Current Year Taxes					
Collected Prior to Year End	(9,506)	(23,263)	(23,262)	(5,101)	(61,132)
Less Allowance for					
Uncollectible Taxes	<u>(21,971)</u>	<u>(49,880)</u>	<u>(49,880)</u>	<u>(10,939)</u>	<u>(132,670)</u>
Net Ad Valorem Tax Receivable at December 31, 2012	<u>\$ 881,838</u>	<u>\$ 1,987,681</u>	<u>\$ 1,993,861</u>	<u>\$ 445,477</u>	<u>\$ 5,308,857</u>

**NOTE 7. DEFERRED OUTFLOWS OF RESOURCES**

In 2012, the Council implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. These statements provide guidance on reporting the difference between the reacquisition price and the net carrying amount of the old debt for current and advance refunding resulting in defeasance of debt. The difference is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt. At December 31, 2012, the Council had a deferred amount on refunding of debt of \$431,056 which resulted from the advance refunding of the Library General Obligation Bonds, Series 2004.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 8. INTERFUND RECEIVABLE 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:

	<u>Due From Other Funds</u>	<u>Due (To) Other Funds</u>	<u>Net Internal Balances</u>
<b><u>Governmental Activities:</u></b>			
Governmental Funds			
Balance Sheet			
General Fund	\$ 7,458,178	\$ (991,277)	\$ 6,466,901
Health Unit Fund	300,000	(227,549)	72,451
Road Fund	1,388,509	(1,303,434)	85,075
Nonmajor Funds	<u>153,329</u>	<u>(6,755,373)</u>	<u>(6,602,044)</u>
	9,300,016	(9,277,633)	22,383
<b><u>Business Type Activities:</u></b>			
Utility Enterprise Fund			
Statement of Net Position	<u>517,617</u>	<u>(540,000)</u>	<u>(22,383)</u>
	<u>\$ 9,817,633</u>	<u>\$ (9,817,633)</u>	<u>\$ -</u>

**NOTE 9. PAYABLES**

The payables as reported on the Statement of Net Position at December 31, 2012 include the following.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Accounts Payable	\$ 3,618,236	\$ 13,803	\$ 3,632,039
Accrued Wages	309,475	5,272	314,747
Accrued Expenses and Withholdings	239,594	3,198	242,792
Customer Deposits	<u>-</u>	<u>13,782</u>	<u>13,782</u>
Total	<u>\$ 4,167,305</u>	<u>\$ 36,055</u>	<u>\$ 4,203,360</u>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2012**

**NOTE 10. CHANGES IN CAPITAL ASSETS**

The following is a summary of the changes in capital assets for the year ended December 31, 2012.

	Balance 12/31/2011	Additions	Delctrons	Balance 12/31/2012
<b><u>Governmental Activities</u></b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 5,844,429	\$ -	\$ -	\$ 5,844,429
Construction in Progress	2,333,893	6,319,873	(1,237,205)	7,416,561
<b>Total Capital Assets Not Being Depreciated</b>	<b>8,178,322</b>	<b>6,319,873</b>	<b>(1,237,205)</b>	<b>13,260,990</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	52,596,860	499,835	-	53,096,695
Recreational Facilities	3,758,232	-	-	3,758,232
Machinery and equipment	5,996,013	409,768	(115,514)	6,290,267
Sewer System	1,302,450	823,784	-	2,126,234
Infrastructure	143,108,015	-	-	143,108,015
Furniture and fixtures	250,660	-	-	250,660
<b>Total Capital Assets Being Depreciated</b>	<b>207,012,230</b>	<b>1,733,387</b>	<b>(115,514)</b>	<b>208,630,103</b>
<b>Less Accumulated Depreciation for</b>				
Buildings	(6,653,559)	(1,338,049)	-	(7,991,608)
Recreational Facilities	(70,467)	(93,956)	-	(164,423)
Equipment	(4,163,430)	(511,646)	115,514	(4,559,562)
Sewer System	(8,530)	(91,407)	-	(99,937)
Infrastructure	(58,012,941)	(8,951,841)	-	(66,964,782)
Furniture and Fixtures	(145,634)	(28,940)	-	(174,574)
<b>Total Accumulated Depreciation</b>	<b>(69,054,561)</b>	<b>(11,015,839)</b>	<b>115,514</b>	<b>(79,954,886)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>137,957,669</b>	<b>(9,282,452)</b>	<b>-</b>	<b>128,675,217</b>
<b>Total Governmental Activities Capital Assets, Net</b>	<b>\$ 146,135,991</b>	<b>\$ (2,962,579)</b>	<b>\$ (1,237,205)</b>	<b>\$ 141,936,207</b>

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b><u>Business-Type Activities</u></b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 13,243	\$ -	\$ -	\$ 13,243
Construction in Progress	155,129	68,733	-	223,862
Total Capital Assets Not Being Depreciated	168,372	68,733	-	237,105
<b>Capital Assets Being Depreciated</b>				
Utility System	9,261,411	-	-	9,261,411
Total Capital Assets Being Depreciated	9,261,411	-	-	9,261,411
<b>Less Accumulated Depreciation for:</b>				
Utility System	(1,280,750)	(278,008)	-	(1,558,758)
Total Accumulated Depreciation	(1,280,750)	(278,008)	-	(1,558,758)
Total Capital Assets Being Depreciated, Net	7,980,661	(278,008)	-	7,702,653
Total Business-Type Activities Capital Assets, Net	\$ 8,149,033	\$ (209,275)	\$ -	\$ 7,939,758

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 Significant Accounting Policies.

Depreciation expense was charged to functions of the primary government as follows

<b>Governmental Activities</b>	
General Government	\$ 169,967
Public Safety	578,787
Public Works	9,321,020
Health and Welfare	316,247
Culture and Recreation	629,818
<b>Total Governmental Depreciation</b>	<b>\$ 11,015,839</b>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 11. LONG-TERM DEBT**

The following is a summary of debt transactions of the Council for the year ended December 31, 2012:

	Debt Payable 12/31/2011	Additions	Deletions	Debt Payable 12/31/2012	Due within 1 year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 270,446	\$ 346,921	\$ 330,332	\$ 287,035	\$ 71,759
Library General Obligation Bonds, Series 2004	6,890,000	-	6,060,000	830,000	405,000
Library General Obligation Refunding Bonds, Series 2012	-	6,180,000	-	6,180,000	100,000
Health Unit Refunding Bonds, Series 2011	1,240,000	-	300,000	940,000	305,000
Road Project Revenue Bonds, Series 2006	36,795,000	-	2,925,000	33,870,000	3,070,000
Jail Project Revenue Bonds, Series 2006	13,905,000	-	1,150,000	12,755,000	1,200,000
Live Oak Sports Complex Project Revenue Bonds, Series 2008	4,225,000	-	80,000	4,145,000	85,000
North Park Project Revenue Bonds, Series 2008	8,325,000	-	120,000	8,205,000	125,000
Office of Motor Vehicles Project Revenue Bonds, Series 2009	4,645,000	-	95,000	4,550,000	100,000
Sewer District No 2 Project Revenue Bonds, Series 2009	2,455,000	-	45,000	2,410,000	50,000
Livingston Parish Courthouse Project Revenue Bonds, Series 2011	17,865,000	-	345,000	17,520,000	355,000
Unamortized Premium on Debt	1,533,413	82,979	115,773	1,500,619	123,811
Unamortized Discount on Debt	(315,650)	-	(16,616)	(299,034)	(17,215)
<b>Total Governmental Activities</b>	<b>97,833,209</b>	<b>6,609,900</b>	<b>11,549,489</b>	<b>92,893,620</b>	<b>5,973,355</b>
<b>Business-Type Activities:</b>					
Compensated Absences	7,722	3,436	10,657	501	125
Bruce's Harbor Project Certificates of Indebtedness, Series 2006	210,000	-	-	210,000	110,000
Water Revenue Bonds, Series 2007	2,295,105	-	53,102	2,242,003	34,561
Community Development Water System Loan	297,100	-	9,900	287,200	11,000
<b>Total Business-Type Activities</b>	<b>2,809,927</b>	<b>3,436</b>	<b>73,659</b>	<b>2,739,704</b>	<b>155,686</b>
<b>Total Debt</b>	<b>\$100,643,136</b>	<b>\$ 6,613,336</b>	<b>\$ 11,623,148</b>	<b>\$ 95,633,324</b>	<b>\$6,129,041</b>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
 DECEMBER 31, 2012

**Governmental Activity Debt:**

**Library General Obligation Bonds, Series 2004**

Library General Obligation Bonds, Series 2004 - \$8,900,000, dated March 1, 2004, due in original annual installments of principal and semi-annual installments of interest through March 1, 2024, variable interest rate ranging from 3.000% to 6.350%. On May 10, 2012, the callable bonds maturing from 2015 through 2024 were refunded with the issuance of the Library General Obligation Refunding Bonds, Series 2012. The debt service requirements to maturity remaining on the non-callable portion of the Library General Obligation Bonds, Series 2004 are as follows

\$ 830,000

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

Year Ended December 31,	Library General Obligation Bonds		
	Principal	Interest	Total
2013	\$ 405,000	\$ 21,031	\$ 426,031
2014	425,000	7,225	432,225
	\$ 830,000	\$ 28,256	\$ 858,256

**Library General Obligation Refunding Bonds, Series 2012**

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

\$ 6,180,000

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

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2012**

Year Ended December 31,	Library General Obligation Refunding Bonds		
	Principal	Interest	Total
2013	\$ 100,000	\$ 140,234	\$ 240,234
2014	70,000	138,531	208,531
2015	520,000	132,631	652,631
2016	535,000	122,081	657,081
2017	555,000	111,181	666,181
2018-2022	3,035,000	376,552	3,411,552
2023-2024	1,365,000	41,325	1,406,325
	<u>\$ 6,180,000</u>	<u>\$ 1,062,535</u>	<u>\$ 7,242,535</u>

The 2004 Library Bonds were issued for the purpose of constructing, acquiring and improving public libraries within Livingston Parish, and acquiring the necessary land, equipment and furnishings. The bonds are secured and payable from unlimited ad valorem taxation and were authorized in a special election held on October 4, 2003

Pursuant to the ordinance, the Parish established and maintains a Debt Service Fund where all proceeds of the ad valorem taxes are deposited for the repayment of these general obligation bonds. The Debt Service Fund is designed to achieve a proper matching of revenues and debt service on the Bonds within each bond year. For purposes of this Arbitrage Certificate and compliance with Arbitrage Regulations, "Bond Year" shall mean the 1-year period ending on each principal payment date of the Bonds, which is March 1 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, 2012, the Library Debt Service Sinking Fund has a debt service restricted fund balance of \$1,976,180

**Road Project Revenue Bonds, Series 2006**

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

\$ 33,870,000

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



**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2012**

<u>Year Ended December 31,</u>	<u>Road Project Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,070,000	\$ 1,616,750	\$ 4,686,750
2014	3,225,000	1,459,375	4,684,375
2015	3,385,000	1,294,125	4,679,125
2016	3,555,000	1,120,625	4,675,625
2017	3,735,000	938,375	4,673,375
2018-2021	16,900,000	1,741,838	18,641,838
	<u>\$ 33,870,000</u>	<u>\$ 8,171,088</u>	<u>\$ 42,041,088</u>

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

According to the terms of the Trust Indenture, the Council established the Road 06 Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the Bonds for the immediately preceding bond year. At December 31, 2012, the Road Project Revenue Bond sinking fund was fully funded with an actual balance of \$3,261,273.

**Jail Project Revenue Bonds, Series 2006**

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

\$ 12,755,000

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

Year Ended December 31,	Jail Project Revenue Bonds		
	Principal	Interest	Total
2013	\$ 1,200,000	\$ 523,487	\$ 1,723,487
2014	1,245,000	474,587	1,719,587
2015	1,295,000	422,978	1,717,978
2016	1,350,000	368,425	1,718,425
2017	1,405,000	310,725	1,715,725
2018-2021	6,260,000	585,354	6,845,354
	\$ 12,755,000	\$ 2,685,556	\$ 15,440,556

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

According to the terms of the Trust Indenture, the Council established the Jail Debt Service Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2012, the Jail Project Revenue Bond sinking fund was fully funded with an actual balance of \$1,352,950

**Live Oak Sports Complex Project Revenue Bonds, Series 2008**

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

\$ 4,145,000

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

Year Ended December 31,	Live Oak Sports Complex Project Revenue Bonds		
	Principal	Interest	Total
2013	\$ 85,000	\$ 208,700	\$ 293,700
2014	85,000	205,512	290,512
2015	90,000	202,325	292,325
2016	95,000	198,725	293,725
2017	100,000	194,925	294,925
2018-2022	560,000	901,988	1,461,988
2023-2027	725,000	740,025	1,465,025
2028-2032	930,000	536,070	1,466,070
2033-2037	1,195,000	268,168	1,463,168
2038	280,000	14,700	294,700
	\$ 4,145,000	\$ 3,471,138	\$ 7,616,138

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

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

According to the terms of the Trust Indenture, the Council established the Live Oak Sports Complex Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2012, the Live Oak Sports Complex Project Revenue Bond sinking fund was fully funded with an actual balance of \$121,823.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**North Park Project Revenue Bonds, Series 2008**

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

\$ 8,205,000

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

Year Ended December 31,	North Park Project Revenue Bonds		
	Principal	Interest	Total
2013	\$ 125,000	\$ 563,860	\$ 688,860
2014	135,000	556,235	691,235
2015	145,000	548,000	693,000
2016	150,000	539,155	689,155
2017	160,000	530,005	690,005
2018-2022	965,000	2,485,855	3,450,855
2023-2027	1,350,000	2,103,260	3,453,260
2028-2032	1,885,000	1,564,685	3,449,685
2033-2037	2,645,000	806,750	3,451,750
2038	645,000	45,150	690,150
	<u>\$ 8,205,000</u>	<u>\$ 9,742,955</u>	<u>\$ 17,947,955</u>

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

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

According to the terms of the Trust Indenture, the Council established the North Park Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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, 2012, the North Park Project Revenue Bond sinking fund was fully funded with an actual balance of \$172,216.

**Office of Motor Vehicles Project Revenue Bonds, Series 2009**

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

\$ 4,550,000

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

Year Ended December 31,	Office of Motor Vehicles Project Revenue Bonds		
	Principal	Interest	Total
2013	\$ 100,000	\$ 193,565	\$ 293,565
2014	105,000	190,565	295,565
2015	105,000	187,415	292,415
2016	110,000	184,265	294,265
2017	115,000	180,965	295,965
2018-2022	625,000	846,355	1,471,355
2023-2027	750,000	717,695	1,467,695
2028-2032	930,000	538,850	1,468,850
2033-2037	1,165,000	300,588	1,465,588
2038-2039	545,000	39,188	584,188
	<u>\$ 4,550,000</u>	<u>\$ 3,379,451</u>	<u>\$ 7,929,451</u>

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

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

According to the terms of the Trust Indenture, the Council established the Livingston Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2012, the Motor Vehicles Project Revenue Bond sinking fund was fully funded with an actual balance of \$117,448.

**Sewer District No. 2 Project, Series 2009**

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

\$ 2,410,000

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

<u>Year Ended December 31,</u>	Sewer District No. 2 Project Revenue Bonds		
	Principal	Interest	Total
2013	\$ 50,000	\$ 111,663	\$ 161,663
2014	50,000	110,412	160,412
2015	50,000	108,788	158,788
2016	55,000	106,688	161,688
2017	55,000	104,488	159,488
2018-2022	320,000	484,833	804,833
2023-2027	395,000	406,809	801,809
2028-2032	500,000	302,422	802,422
2033-2037	635,000	161,269	796,269
2038-2039	300,000	15,631	315,631
	<u>\$ 2,410,000</u>	<u>\$ 1,913,003</u>	<u>\$ 4,323,003</u>

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

**LIVINGSTON PARISH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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.

According to the terms of the Trust Indenture, the Council established the Sewer #2 Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the bonds for the immediately preceding bond year. At December 31, 2012, the Sewer District No. 2 Project Revenue Bond sinking fund was fully funded with an actual balance of \$79,113.

**Health Unit Refunding Bonds, Series 2011**

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

\$ 940,000

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

Year Ended December 31,	Health Unit Refunding Bonds		
	Principal	Interest	Total
2013	\$ 305,000	\$ 18,950	\$ 323,950
2014	315,000	12,750	327,750
2015	320,000	4,800	324,800
	\$ 940,000	\$ 36,500	\$ 976,500

The Health Unit Refunding Bonds were issued for the purpose of refunding its \$4,240,000 Certificates of Indebtedness, Series 2005, funding a debt service fund, and paying the costs of issuance. The bonds are secured from a pledge and dedication of the excess of annual revenues over the necessary and usual charges in each of the fiscal years during which the certificates are outstanding and include funds in the General Fund and the Health Unit Fund. As a condition to enter into this debt, a Reserve Fund Requirement for this loan was necessary to complete the financing. The Reserve Fund was funded with a withholding of the bond proceeds of \$149,010.

The Health Unit Debt Service Sinking Fund (the "Debt Service Fund") is created by the Bond Ordinance and shall be maintained with the Paying Agent. Five (5) days prior to each Interest Payment Date, the Issuer shall deposit into the Debt Service Fund, such amounts required to make principal and interest payments due on such Interest Payment Date. The Paying Agent shall use the moneys on deposit in the Debt Service Fund to make principal and interest payments to the

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**Bondholders** It shall be specifically understood and agreed, however, that after the funds have actually been set aside out of the revenues of any Fiscal Year sufficient to pay the principal and interest on the Bonds for that Fiscal Year, and all required amounts have been deposited in the aforesaid Debt Service Fund established for the Bonds, then any excess of annual revenues remaining in that Fiscal Year shall be free for expenditure by the Issuer for any other lawful corporate purpose

**Courthouse Project Revenue Bonds, Series 2011**

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

\$ 17,520,000

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

Year Ended December 31,	Courthouse Revenue Bonds		
	Principal	Interest	Total
2013	\$ 355,000	\$ 736,481	\$ 1,091,481
2014	360,000	729,381	1,089,381
2015	370,000	722,181	1,092,181
2016	375,000	714,781	1,089,781
2017	385,000	707,281	1,092,281
2018-2022	2,080,000	3,367,230	5,447,230
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
2038-2042	3,895,000	460,419	4,355,419
	<u>\$ 17,520,000</u>	<u>\$ 14,084,754</u>	<u>\$ 31,604,754</u>

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



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
 DECEMBER 31, 2012

According to the terms of the Trust Indenture, the Council established the Courthouse Sinking Fund - Debt Service Fund. All amounts deposited in the Debt Service Fund are expected to be depleted at least once each bond year, except for a reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the next principal payment per month and 1/6 of the next interest payment per month on the Bonds for the immediately preceding bond year. At December 31, 2012, the Courthouse Project Revenue Bond sinking fund was fully funded with an actual balance of \$363,898.

**Business-Type Activity Debt:**

**Bruce's Harbor Project Certificates of Indebtedness, Series 2006**

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

\$ 210,000

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

Year Ended December 31,	Bruce' Harbor Project Certificates of Indebtedness		
	Principal	Interest	Total
2013	\$ 110,000	\$ 5,850	\$ 115,850
2014	30,000	4,500	34,500
2015	35,000	3,150	38,150
2016	35,000	1,575	36,575
	\$ 210,000	\$ 15,075	\$ 225,075

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

**Water Revenue Bonds, Series 2007**

Water Revenue Bonds, Series 2007 - \$2,572,000, dated September 26, 2007 due in annual installments of principal and semi-annual installments of interest through August 26, 2045; with interest rate of 4.25%.

\$ 2,242,003

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

<u>Year Ended December 31,</u>	<u>Water Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 34,561	\$ 100,623	\$ 135,184
2014	36,059	99,126	135,185
2015	37,621	97,653	135,274
2016	39,252	95,932	135,184
2017	40,953	94,231	135,184
2018-2022	232,975	442,946	675,921
2023-2027	288,028	387,893	675,921
2028-2032	356,090	319,830	675,920
2033-2037	440,236	235,687	675,923
2038-2042	544,264	131,657	675,921
2043-2045	191,964	20,614	212,578
	<u>\$ 2,242,003</u>	<u>\$ 2,026,192</u>	<u>\$ 4,268,195</u>

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

**Community Development Water System Loan**

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

\$ 287,200

**LIVINGSTON PARISH COUNCIL**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2012

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

Year Ended December 31,	Community Development Water System Loan		
	Principal	Interest	Total
2013	\$ 11,000	\$ 3,893	\$ 14,893
2014	12,500	3,733	16,233
2015	13,200	3,554	16,754
2016	13,200	3,372	16,572
2017	13,600	3,190	16,790
2018-2022	78,900	12,850	91,750
2023-2027	99,500	6,754	106,254
2028-2029	45,300	628	45,928
	\$ 287,200	\$ 37,974	\$ 325,174

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

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

**Governmental Activities Bond Refunded**

During the current year, the Council issued \$6,180,000 Refunding Bonds, Series 2012 for the purpose of refunding the callable portion (2015 through 2024) of the outstanding balance of the Library General Obligation Bonds, Series 2004 that was originally issued for the purpose of constructing, acquiring and improving public libraries within Livingston Parish, and acquiring the necessary land, equipment and furnishings. In addition to refunding the callable portion of the Series 2004 General Obligation Bonds, the Refunding Bonds proceeds will be used to pay the cost of issuance of the Bonds and the interest from October 2012 through March 2014 of \$431,056 of the callable balance of \$5,675,000.

**LIVINGSTON PARISH COUNCIL**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2012

The proceeds of the Refunding Bonds, Series 2012 were as follows

<u>Proceeds of Refunding Bonds, Series 2012</u>	
Par Amount of Bonds	\$ 6,180,000
Reoffering Premium	82,979
Underwriters Discount	(49,440)
	<u>\$ 6,213,539</u>

The sources and uses of the refunding issue are summarized as follows.

<u>Sources and Uses of Funds</u>	
Sources:	
Wire from Underwriter	<u>\$ 6,213,539</u>
Uses:	
Deposits to Escrow Fund	\$ 6,106,056
Deposit to Issuance Cost Account	107,483
	<u>\$ 6,213,539</u>

The following is the calculation of cash flow requirements and economic gain:

<u>Cash Flow Difference:</u>		
Old Debt Service Cash Flows		\$7,518,070
New Debt Service Cash Flows	7,286,081	
Plus:		
Contribution from Sinking Funds	-	<u>7,286,081</u>
Cash Flow Difference		<u>\$ 231,989</u>

<u>Economic Gain on Refunding:</u>		
Present Value of Old Debt Service Cash Flows		\$6,488,684
Present Value of New Debt Service Cash Flows	6,282,459	
Plus:		
Contribution from Sinking Funds	-	<u>6,282,459</u>
Economic Gain		<u>\$ 206,225</u>

This advance refunding was undertaken to decrease total debt service payments over the next 12 years by \$231,989 and resulted in an economic gain of \$206,225.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**Debt Service Requirements to Maturity**

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

Year Ended December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 5,795,000	\$ 4,134,721	\$ 9,929,721	\$ 155,561	\$ 110,366	\$ 265,927
2014	6,015,000	3,884,573	9,899,573	78,559	107,359	185,918
2015	6,280,000	3,623,243	9,903,243	85,821	104,357	190,178
2016	6,225,000	3,354,745	9,579,745	87,452	100,879	188,331
2017	6,510,000	3,077,945	9,587,945	54,553	97,421	151,974
2018 - 2022	30,745,000	10,790,005	41,535,005	311,875	455,796	767,671
2023 - 2027	7,115,000	6,927,794	14,042,794	387,528	394,647	782,175
2028 - 2032	7,435,000	5,200,752	12,635,752	401,390	320,458	721,848
2033 - 2037	9,620,000	3,006,370	12,626,370	440,236	235,687	675,923
2038 - 2042	5,665,000	575,088	6,240,088	544,264	131,657	675,921
2043 - 2047	-	-	-	191,964	20,614	212,578
	<u>\$ 91,405,000</u>	<u>\$ 44,575,236</u>	<u>\$ 135,980,236</u>	<u>\$ 2,739,203</u>	<u>\$ 2,079,241</u>	<u>\$ 4,818,444</u>
Net Unamortized Premium (Discounts)	1,201,585					
	<u>\$ 92,606,585</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, 2012, the Council's general obligation debt limit was \$66,758,000. The Council's general obligation debt did not exceed the legal limits as of December 31, 2012.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2012**

**NOTE 12. RESTRICTED ASSETS**

Restricted assets were applicable to the following at December 31, 2012:

	Funds Restricted For				Total
	Construction	Debt Reserves	Debt Service Sinking	Grant	
<b>Governmental Activities</b>					
Road Project Revenue Bonds, Series 2006	\$ -	\$ -	\$ 3,261,273	\$ -	\$ 3,261,273
Jail Project Revenue Bonds, Series 2006	-	-	1,352,950	-	1,352,950
Live Oak Sports Complex Project Revenue Bonds, Series 2008	-	295,450	121,823	-	417,273
North Park Project Revenue Bonds, Series 2008	-	693,195	172,216	-	865,411
Office of Motor Vehicles Project Revenue Bonds, Series 2009	-	-	117,448	-	117,448
Sewer District No 2 Project Revenue Bonds, Series 2009	10,715	162,830	79,113	-	252,658
Health Unit Refunding Bonds, Series 2011	-	149,010	-	-	149,010
Courthouse Project Revenue Bonds, Series 2011	15,664,736	-	363,898	-	16,028,634
Gulf of Mexico Energy Security Act Federal Grant Advance	-	-	-	91,851	91,851
<b>Total Governmental Activities</b>	<b>15,675,451</b>	<b>1,300,485</b>	<b>5,468,721</b>	<b>91,851</b>	<b>22,536,508</b>
<b>Business-Type Activities</b>					
Water Revenue Bonds, Series 2007	-	54,144	11,265	-	65,409
<b>Total Business-Type Activities</b>	<b>-</b>	<b>54,144</b>	<b>11,265</b>	<b>-</b>	<b>65,409</b>
<b>Total Primary Government</b>	<b>\$ 15,675,451</b>	<b>\$ 1,354,629</b>	<b>\$ 5,479,986</b>	<b>\$ 91,851</b>	<b>\$ 22,601,917</b>

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
 DECEMBER 31, 2012

**NOTE 13. SALES AND USE TAXES**

On January 21, 1996, the voters of Livingston Parish approved a parish wide fifteen year, 1% Sales and Use Tax dedicated for constructing, acquiring, extending, expanding, improving, maintaining, and operating roads, bridges, and related road drainage throughout the parish, and acquire equipment related thereto, and (ii) construct, acquire, extend, expand, improve, operate, maintain, equip and furnish jail facilities of the parish. An election was held on January 21, 2006, to rededicate 1/4th of the 1 % Road Construction Sales Tax and to extend the collection of the sales tax until 2021. The proposition was passed by the taxpayers of the parish. The tax is split, 75% to roads, and 25% to the jail. The Council has set up the Road Fund to account for the sales tax and ad valorem taxes collections dedicated to the maintaining and improving parish-wide road and streets and the related drainage improvements associated therewith. The Jail Sales Tax Fund is 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, 2012 is as follows:

	<u>Sales and Use Tax Revenue</u>	<u>Percentage</u>
Jail Sales Tax Fund	\$ 3,427,883	25 %
Road Fund	<u>10,283,648</u>	<u>75 %</u>
Total Sales and Use Tax	<u>\$ 13,711,531</u>	<u>100 %</u>

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

**NOTE 14. CHANGES IN FIDUCIARY FUND DEPOSITS AND DISBURSEMENTS**

The Livingston Parish School Board remits the sales taxes collected within Gravity Drainage District No. 2 of Livingston Parish to the Council. Upon receipt of the sales taxes from the School Board, the Council disburses the funds to Gravity Drainage District No. 2 of Livingston Parish. Since the Council does not hold any funds due to Gravity Drainage District No. 2 of Livingston Parish as of December 31, 2012, 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, 2012.

Balance Due at 12/31/11	Collected	Disbursed	Balance Due at 12/31/12
\$ -	\$ 660,525	\$ (660,525)	\$ -

**LIVINGSTON PARISH COUNCIL**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

**NOTE 15. DEFINED BENEFIT PENSION PLAN AND RETIREMENT COMMITMENTS**

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

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

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

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

The contribution rates in effect for the year ended December 31, 2012 were as follows:

	December 31, 2012	
	Parish Council Percentage	Parish Employees Percentage
Parochial Employees Retirement System. Plan B	10.00%	3.00%



**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2012**

The contributions made to PERS for December 31, 2012, which substantially equaled the required contribution, was as follows:

	<u>December 31, 2012</u>
Parochial Employees Retirement System	
Plan B	
Parish Council Contribution	\$ 419,603
Parish Employees Contribution	124,189
Total Contribution	<u>\$ 543,792</u>

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

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

**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (OPEB):**

No plan currently exists to provide parish employees with other postemployment benefits

**NOTE 17. DEFERRED COMPENSATION PLAN**

During 1996, the Council began a deferred compensation plan created with Section 457 of the Internal Revenue Code. The National Association of Counties Deferred Compensation Program 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 its 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 THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 18. COMPENSATION PAID TO PARISH PRESIDENT AND COUNCIL MEMBERS**

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

<u>Name / Contact Number</u>	<u>Title</u>	<u>Address</u>	<u>Amount</u>
L. Layton Ricks, Jr (225) 686-4400	Parish President	P O. Box 427 Livingston, LA 70754	\$ 135,289
Chance M. Parent (225) 686-3027	District 1 Council Member	35649 Woodland Ridge Drive Denham Springs, LA 70706	13,712
James R. Norred, Jr (225) 686-3027	District 2 Council Member	9900 Meadow Lane Denham Springs, LA 70706	13,712
Cynthia G. Wale (225) 686-3027	District 3 Council Member	9417 Prince Charles Denham Springs, LA 70726	14,404
Marshall Harris (225) 686-3027	District 4 Council Member	704 Tom Drive Denham Springs, LA 70726	14,404
Joan M. Landry (225) 686-3027	District 5 Council Member	24076 Canyon Road Denham Springs, LA 70726	13,712
Sonya O. Collins (225) 686-3027	District 6 Council Member	16060 Jolie Lane French Settlement, LA 70733	13,712
Ricky E. Goff (225) 686-3027	District 7 Council Member	32774 Kirby Wood Drive Walker, LA 70785	13,712
Ronald L. Sharp (225) 686-3027	District 8 Council Member	29946 Highway 444 Springfield, LA 70462	14,404
Delos M. Blackwell (225) 686-3027	District 9 Council Member	P O Box 418 Albany, LA 70711	13,712
Total			<u>\$ 260,773</u>

Current terms expired December 31, 2015.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 19. LANDFILL CLOSURE AND POSTCLOSURE 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 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 a 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, 2012, the total royalties under this agreement was \$1,438,564. In addition, Waste Management agreed to pay the Council \$40,000 annually to fund the salary and related expense of an employee that will be responsible for acting as a liaison with the public on matters pertaining to residential garbage collections and waste disposal.

**NOTE 20. DEFICIT FUND EQUITY**

At December 31, 2012, the Jail Sales Tax Fund deficit fund is (\$6,038,198). This accumulated deficit is caused by expenditures exceeding revenues during the current and prior years and is expected to remain as 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 \$300,000 as of December 31, 2012. The Jail Sales Tax Fund will repay these advances once resources are available. In addition, at December 31, 2012, the Jail Sales Tax Fund owes the General Fund \$1,563,528 and owes the Road – Special Revenue Fund \$1,061,314 or a total of 2,624,842 which is included in the governmental funds financial statements as Due to Other Funds.

At December 31, 2012, the Office of Emergency Preparedness Fund deficit fund is (\$198,750). This accumulated deficit is caused by expenditures exceeding revenues during the current and prior years. The deficit is expected to be eliminated during 2013 with additional transfers from the General Fund.

**NOTE 21. RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, employee health and life; and natural disasters. The Parish 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.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 22. LITIGATION AND CLAIMS**

At December 31, 2012, the Council is the defendant in several pending lawsuits filed in the 21st Judicial District Court. Although the suits are still pending, the President and Council deny any liability and are actively defending its position. Based on the opinion of legal counsel on the possible outcome of these lawsuits, it is the opinion of management that the disposition of these matters will not have a material adverse effect on the financial position of the Parish Council.

As of December 31, 2012, there are two outstanding judgments in the amount of \$154,085 recorded against the Parish. One of these judgments is Paul C. Veatch vs. Livingston Parish of \$15,406 and another judgment is James B. Fontenot vs. Livingston Parish Police Jury of \$138,679. These judgments are not collectible because the parish is immune from paying judgments until the expenditure has been appropriated.

As of December 31, 2012, the Council remains involved in a dispute with a contracted engineering firm related to billings and payments for engineering work performed in prior years in the amount of \$452,962. The expenses related to this contract are included in prior years financial statements. Subsequent to December 31, 2011, the Council decided to cancel the contract with the engineering firm and filed a petition for restitution seeking reimbursement of amounts paid plus any damages associated with additional engineering work that may be necessary as a result of the contract termination. The engineering firm filed a lawsuit for contract wrongful termination.

As of December 31, 2012, the Council remains involved in a dispute with a contractor that provided for environmental and right of way services in prior years. The contractor is requesting payment for the work performed but the Council is holding the payment pending the results of alleged billing irregularities. The expenses in the amount of \$379,518 related to this contract have been included in the prior year financial statements.

**NOTE 23. COMMITMENTS AND CONTINGENCIES**

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

In the fall of 2008, the Parish suffered damages from Hurricanes Gustav and Ike. The Council entered into contracts for debris removal, for debris removal contract monitoring services, and for debris site burning. The Council has submitted the cost of the hurricane cleanup to FEMA to request reimbursements on FEMA designated forms called project worksheets (PWs). Subsequent to the contracted cleanup work being performed within the Parish, the Council submitted the necessary forms for reimbursement. Total claims submitted to FEMA as of December 31, 2012 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,

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

work related to removal of hazardous leaning trees and hazardous hanging limbs. In addition, FEMA has denied the expense reimbursement claims the Council made on hurricane debris removal and monitoring services performed within the gravity drainage districts and outside the gravity drainage districts within the Parish. The Council is appealing these denials by FEMA. As of the date of this report, the appeals and contested claims of the Council with FEMA are still continuing and a decision has not been finalized.

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

**NOTE 24. CHANGE IN ACCOUNTING PRINCIPLE**

The Council's management elected to early implement the provisions of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. Under GASB Statement 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as expense in the period incurred. The Council had incurred debt issuance cost in 2011 and prior years. These costs were previously capitalized as assets and amortized as expense over the duration of the related debt. GASB 65 adopted a definition of cost of issuance on debt by identifying which costs are subject to capitalization. The costs paid by the Council for debt issuance no longer met the GASB definition. In order to conform to GASB 65, the District removed Deferred Bond Issuance Costs and reduced net position as if the cost was expensed in the period incurred. The following items have been restated as follows:

	Governmental Activities	Business-Type Activities	Total
Total Net Assets, December 31, 2011			
As Previously Reported	\$ 89,011,039	\$ 5,298,957	\$ 94,309,996
Adjustments to:			
Unamortized Debt Issuance			
Cost Adjustment	(2,925,434)	(45,654)	(2,971,088)
Total Net Assets, December 31, 2011			
As Restated	\$ 86,085,605	\$ 5,253,303	\$ 91,338,908

The Council also adopted the provisions of GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63 - *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources and Net Position*. The adoption of GASB 62 did not require any changes to the financial statements of the Council; however, GASB 63 required the Council to use the term Net Position instead of Net Assets. See Note 7 above for additional changes resulting from adopting GASB 63 and 65.

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

**NOTE 25. 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, 2012, in the following categories or functions

<u>General Fund</u>	<u>Fmal Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Unfavorable Variance Percentage</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 944,677	\$ 886,857	\$ (57,820)	(6.12%)
Licenses and Permits	2,116,188	1,819,368	(296,820)	(14.03%)
<b><u>Expenditures</u></b>				
<b>Current Expenditures</b>				
Health and Welfare	163,596	242,721	(79,125)	(48.37%)
<b>Capital Outlay</b>				
General Government	14,623	417,938	(403,315)	(2758.09%)
Public Safety	51,710	115,132	(63,422)	(122.65%)
Public Works	-	1,042,547	(1,042,547)	(100.00%)
<b><u>Health Unit Fund</u></b>				
<b><u>Expenditures</u></b>				
<b>Current Expenditures</b>				
Health and Welfare	858,421	936,323	(77,902)	(9.08%)
<b><u>Office of Emergency Preparedness Fund</u></b>				
<b><u>Expenditures</u></b>				
<b>Current Expenditures:</b>				
Public Safety	1,142,734	1,417,263	(274,529)	(24.02%)
<b>Capital Outlay</b>				
Public Safety	-	22,895	(22,895)	(100.00%)
<b><u>Road Fund</u></b>				
<b><u>Expenditures</u></b>				
<b>Current Expenditures</b>				
Public Works	4,791,710	5,639,079	847,369	(17.68%)

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Unfavorable Variance Percentage</u>
<u>Courthouse Capital Outlay Fund</u>				
<u>Expenditures</u>				
Capital Outlay				
General Government	1,185,972	1,521,240	(335,268)	(28.27%)
<u>Criminal Court Fund</u>				
<u>Revenues</u>				
Fines and Forfeitures	159,640	137,620	(22,020)	(13.79%)
<u>Other Financing Uses</u>				
Governmental Transfers Out	53,567	64,737	(11,170)	(20.85%)
<u>Criminal Court Witness Fund</u>				
<u>Expenditures</u>				
Current Expenditures				
General Government	72,355	96,691	(24,336)	(33.63%)
<u>Hazard Mitigation Fund</u>				
<u>Revenues</u>				
Intergovernmental Revenues				
Federal Sources	250,000	69,463	(180,537)	(72.21%)
<u>Jail Sales Tax Fund</u>				
<u>Expenditures</u>				
Current Expenditures				
Public Safety	2,129,001	2,254,716	(125,715)	(5.90%)
<u>Parish Transportation Capital Outlay Fund</u>				
<u>Expenditures</u>				
Current Expenditures				
Public Works	-	2,999,020	(2,999,020)	(100.00%)

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Unfavorable Variance Percentage</u>
<u>Jail Debt Service Fund</u>				
<u>Revenues</u>				
Use of Money and Property	22,517	87	(22,430)	(99.61%)
<u>Live Oak Sports Complex Debt Service Fund</u>				
<u>Revenues</u>				
Use of Money and Property	10,747	-	(10,747)	(100.00%)

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

**NOTE 26. CURRENT ACCOUNTING PRONOUNCEMENTS -**

The Governmental Accounting Standards Board issued GASB Statement No. 66 - "Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62." The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. This Statement will be required to be adopted by the Council for fiscal year ending December 31, 2013.



**LIVINGSTON PARISH COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2012

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

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

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for fiscal year ending December 31, 2013. Management currently believes the implementation of GASB 66 will not have a material effect on the Council's financial statements.

**SUPPLEMENTARY INFORMATION**

**MAJOR GOVERNMENTAL FUND BUDGET COMPARISON SCHEDULES  
OTHER THAN GENERAL FUND OR SPECIAL REVENUE FUNDS**

## NONMAJOR 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.

**Criminal Court 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 Criminal Court 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 each year be transferred to the General Fund.

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

**Jail Sales Tax Fund** - This fund is used to account for the proceeds of  $\frac{1}{4}$  of the 1% sales tax levied by the Parish and to account for the maintenance and operation of the jail, and transfers to the Jail Debt Service Sinking Fund for the payment on the debt service of the jail bonds.

**Other Special Revenue Fund** - This fund accounts for the accumulated residual balance remaining of special revenue funds in prior years and no longer used by the Council. This remaining balance will be transferred to the General Fund.

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

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

### Capital Projects Funds

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

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

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

**Sewer #2 Capital Outlay Fund** - This fund is used to account for the proceeds of bonds issued for the cost of the construction of the Sewer District #2 construction project

### **Debt Service Funds**

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

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

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

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

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

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

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

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

**LIVINGSTON PARISH COUNCIL**  
**COURTHOUSE CAPITAL OUTLAY - CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of Money and Property	\$ -	\$ 2,387	\$ 23,479	\$ 21,092
Total Revenues	-	2,387	23,479	21,092
<b>Expenditures:</b>				
<b>Debt Service</b>				
Cost of Issuance	455,967	-	-	-
Total Debt Service	455,967	-	-	-
<b>Capital Outlay</b>				
General Government	17,482,095	1,185,972	1,521,240	(335,268)
Total Capital Outlay	17,482,095	1,185,972	1,521,240	(335,268)
Total Expenditures	17,938,062	1,185,972	1,521,240	(335,268)
Excess (Deficiency) of Revenues Over Expenditures	(17,938,062)	(1,183,585)	(1,497,761)	(314,176)
<b>Other Financing Sources:</b>				
Proceeds from Issuance of Debt	17,865,000	-	-	-
Premiums (Discounts) on Bond Issuance	73,062	-	-	-
Total Other Financing Sources	17,938,062	-	-	-
<b>Net Change in Fund Balance</b>	-	(1,183,585)	(1,497,761)	(314,176)
<b>Fund Balance, Beginning of Year</b>	16,919,769	16,919,769	16,919,769	-
<b>Fund Balance, End of Year</b>	\$16,919,769	\$15,736,184	\$15,422,008	\$ (314,176)

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**ROAD 06 SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues:</b>				
Use of Money and Property	\$ 100	\$ 11	\$ 54	\$ 43
Total Revenues	<u>100</u>	<u>11</u>	<u>54</u>	<u>43</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	2,925,000	3,045,833	2,925,000	120,833
Interest and Fees	1,770,125	1,721,375	1,766,625	(45,250)
Total Debt Service	<u>4,695,125</u>	<u>4,767,208</u>	<u>4,691,625</u>	<u>75,583</u>
Total Expenditures	<u>4,695,125</u>	<u>4,767,208</u>	<u>4,691,625</u>	<u>75,583</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,695,025)</u>	<u>(4,767,197)</u>	<u>(4,691,571)</u>	<u>75,626</u>
<b>Other Financing Sources:</b>				
Governmental Transfers In	4,695,125	4,767,208	4,767,250	42
Total Other Financing Sources	<u>4,695,125</u>	<u>4,767,208</u>	<u>4,767,250</u>	<u>42</u>
<b>Net Change in Fund Balance</b>	100	11	75,679	75,668
<b>Fund Balance, Beginning of Year</b>	<u>3,185,594</u>	<u>3,185,594</u>	<u>3,185,594</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$3,185,694</u>	<u>\$3,185,605</u>	<u>\$3,261,273</u>	<u>\$ 75,668</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2012

	Bingo Fund	Criminal Court Fund	Criminal Court Witness Fund	Hazard Mitigation Fund	Jail Sales Tax Fund	Other Special Revenue Funds	Court Fee Special Revenue Fund	Public, Educational, and Governmental Access Fund	Parish Transportation Capital Outlay Fund	Live Oak Sports Complex Capital Outlay Fund
<b>ASSETS</b>										
Cash and Cash Equivalents	\$25,978	\$ 59,738	\$ 93,145	\$ -	\$ -	\$ -	\$ 138,424	\$ 27,810	\$ 342,425	\$ -
Receivables	2,642	-	-	-	-	-	-	26,007	-	-
Restricted Cash	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	9,120	5,496	381,010	596,844	-	37,339	-	80,684	116,320
<b>Total Assets</b>	<b>\$28,620</b>	<b>\$ 68,858</b>	<b>\$ 98,641</b>	<b>\$ 381,010</b>	<b>\$ 596,844</b>	<b>\$ -</b>	<b>\$ 175,763</b>	<b>\$ 53,817</b>	<b>\$ 423,109</b>	<b>\$ 116,320</b>
<b>LIABILITIES</b>										
Accounts Payable	\$ -	\$ -	\$ 44,241	\$ 46,187	\$ 248,745	\$ -	\$ -	\$ -	\$ 142,162	\$ 116,320
Accrued Expenses Payable	-	4,933	-	-	29,747	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	334,823	2,624,842	-	-	-	-	-
Advance from Other Funds	-	-	-	-	3,731,708	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>4,933</b>	<b>44,241</b>	<b>381,010</b>	<b>6,635,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,162</b>	<b>116,320</b>
<b>FUND BALANCES</b>										
Restricted For										
Construction	-	-	-	-	-	-	-	-	280,947	-
Criminal Court	-	63,925	-	-	-	-	-	-	-	-
Criminal Court Witness	-	-	54,400	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Assigned To										
Bingo	28,620	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Court Fees	-	-	-	-	-	-	175,763	-	-	-
Other Purposes	-	-	-	-	-	-	-	53,817	-	-
Unassigned (Deficits)	-	-	-	-	(6,038,198)	-	-	-	-	-
<b>Total Fund Balances</b>	<b>28,620</b>	<b>63,925</b>	<b>54,400</b>	<b>-</b>	<b>(6,038,198)</b>	<b>-</b>	<b>175,763</b>	<b>53,817</b>	<b>280,947</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$28,620</b>	<b>\$ 68,858</b>	<b>\$ 98,641</b>	<b>\$ 381,010</b>	<b>\$ 596,844</b>	<b>\$ -</b>	<b>\$ 175,763</b>	<b>\$ 53,817</b>	<b>\$ 423,109</b>	<b>\$ 116,320</b>

The accompanying notes are an integral part of this statement



Schedule 2

Other Capital Outlay Fund	Sewer #2 Capital Outlay	Health Unit Debt Service Sinking Fund	Jail Debt Service Sinking Fund	Library Debt Service Sinking Fund	Live Oak Sports Complex Sinking Fund	Livingston Sinking Fund	North Park Sinking Fund	Sewer # 2 Sinking Fund	Courthouse Sinking Fund	Total Nonmajor Governmental Funds
\$ 82,747	\$ -	\$ 326,371	\$ -	\$ 837,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,934,506
1,390	-	-	-	-	-	-	-	-	-	30,039
-	10,715	149,010	1,352,950	-	417,273	117,448	865,411	241,943	363,898	3,518,648
153,329	-	-	-	-	-	-	-	-	-	153,329
111,302	-	-	-	1,210,525	-	-	3,000	2,960	-	2,554,600
<u>\$ 348,768</u>	<u>\$ 10,715</u>	<u>\$ 475,381</u>	<u>\$ 1,352,950</u>	<u>\$ 2,048,393</u>	<u>\$ 417,273</u>	<u>\$ 117,448</u>	<u>\$ 868,411</u>	<u>\$ 244,903</u>	<u>\$ 363,898</u>	<u>\$ 8,191,122</u>
\$ 110,499	\$ 10,715	\$ -	\$ -	\$ -	\$ 19,403	\$ -	\$ -	\$ -	\$ -	\$ 738,272
-	-	-	-	-	-	-	-	-	-	34,680
-	-	-	-	17,213	-	-	-	-	-	17,213
-	-	-	-	55,000	3,000	-	3,000	3,000	-	3,023,665
-	-	-	-	-	-	-	-	-	-	3,731,708
<u>110,499</u>	<u>10,715</u>	<u>-</u>	<u>-</u>	<u>72,213</u>	<u>22,403</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>7,545,538</u>
-	-	-	-	-	-	-	-	-	-	280,947
-	-	-	-	-	-	-	-	-	-	63,925
-	-	-	-	-	-	-	-	-	-	54,400
-	-	475,381	1,352,950	1,976,180	394,870	117,448	865,411	241,903	363,898	5,788,041
-	-	-	-	-	-	-	-	-	-	28,620
238,269	-	-	-	-	-	-	-	-	-	238,269
-	-	-	-	-	-	-	-	-	-	175,763
-	-	-	-	-	-	-	-	-	-	53,817
-	-	-	-	-	-	-	-	-	-	(6,038,198)
<u>238,269</u>	<u>-</u>	<u>475,381</u>	<u>1,352,950</u>	<u>1,976,180</u>	<u>394,870</u>	<u>117,448</u>	<u>865,411</u>	<u>241,903</u>	<u>363,898</u>	<u>645,584</u>
<u>\$ 348,768</u>	<u>\$ 10,715</u>	<u>\$ 475,381</u>	<u>\$ 1,352,950</u>	<u>\$ 2,048,393</u>	<u>\$ 417,273</u>	<u>\$ 117,448</u>	<u>\$ 868,411</u>	<u>\$ 244,903</u>	<u>\$ 363,898</u>	<u>\$ 8,191,122</u>

**LIVINGSTON PARISH COUNCIL**  
**COMBINING SCHEDULE OF REVENUES**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Bingo Fund	Criminal Court Fund	Criminal Court Witness Fund	Hazard Mitigation Fund	Jail Sales Tax Fund	Other Special Revenue Funds	Court Fee Special Revenue Fund	Public, Educational, and Governmental Access Fund	Parish Transportation Fund Capital Outlay Fund
<b>Revenues:</b>									
<b>Taxes</b>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	3,427,883	-	-	-	-
Franchise Taxes	-	-	-	-	-	-	-	46,460	-
Licenses and Permits	32,004	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	137,620	82,584	-	-	-	-	-	-
Fees and Commissions	-	-	-	-	41,033	-	1,240,058	-	-
Intergovernmental Revenues									
Federal Sources	-	-	-	69,463	5,965	-	-	-	-
State and Local Sources	-	-	-	-	-	-	-	-	941,166
Miscellaneous	-	-	-	-	9,634	-	-	-	-
Use of Money and Property	44	-	82	-	-	-	1,022	6	438
<b>Total Revenues</b>	<b>32,048</b>	<b>137,620</b>	<b>82,666</b>	<b>69,463</b>	<b>3,484,515</b>	<b>-</b>	<b>1,241,080</b>	<b>46,466</b>	<b>941,604</b>
<b>Expenditures:</b>									
<b>Current Expenditures:</b>									
General Government	-	104,132	96,691	-	-	-	-	16	-
Public Safety	-	-	-	69,463	2,254,716	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	2,999,020
Culture and Recreation	-	-	-	-	-	-	-	-	-
<b>Total Current Expenditures</b>	<b>-</b>	<b>104,132</b>	<b>96,691</b>	<b>69,463</b>	<b>2,254,716</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>2,999,020</b>
<b>Debt Service:</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	3,710	-	3,500	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,710</b>	<b>-</b>	<b>3,500</b>	<b>-</b>	<b>-</b>
<b>Capital Outlay</b>									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	6,799	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>-</b>	<b>104,132</b>	<b>96,691</b>	<b>69,463</b>	<b>2,265,225</b>	<b>-</b>	<b>3,500</b>	<b>16</b>	<b>2,999,020</b>
<b>Excess (Deficiency) of Revenues</b>									
Over (Under) Expenditures	32,048	33,488	(14,025)	-	1,219,290	-	1,237,580	46,450	(2,057,416)
<b>Other Financing Sources and (Uses)</b>									
Governmental Transfers In	-	-	-	-	-	-	-	7,367	-
Governmental Transfers Out	(91,000)	(64,737)	(1,500)	-	(1,793,400)	(295)	(1,135,103)	-	-
Proceeds from Refunding Bonds	-	-	-	-	-	-	-	-	-
Payment of Principal to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-
Payment of Interest to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-
Premiums (Discounts) on Debt	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(91,000)</b>	<b>(64,737)</b>	<b>(1,500)</b>	<b>-</b>	<b>(1,793,400)</b>	<b>(295)</b>	<b>(1,135,103)</b>	<b>7,367</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(58,952)</b>	<b>(31,249)</b>	<b>(15,525)</b>	<b>-</b>	<b>(574,110)</b>	<b>(295)</b>	<b>102,477</b>	<b>53,817</b>	<b>(2,057,416)</b>
<b>Fund Balances (Deficits), Beginning of Year</b>	<b>87,572</b>	<b>95,174</b>	<b>69,925</b>	<b>-</b>	<b>(5,464,088)</b>	<b>295</b>	<b>73,286</b>	<b>-</b>	<b>2,338,363</b>
<b>Fund Balances (Deficits), End of Year</b>	<b>\$ 28,620</b>	<b>\$ 63,925</b>	<b>\$ 54,400</b>	<b>\$ -</b>	<b>\$ (6,038,198)</b>	<b>\$ -</b>	<b>\$ 175,763</b>	<b>\$ 53,817</b>	<b>\$ 280,947</b>

The accompanying notes are an integral part of this statement

Schedule 3

Live Oak Sports Complex Capital Outlay Fund	Other Capital Outlay Fund	Sewer #2 Capital Outlay Fund	Health Unit Debt Service Sinking Fund	Jail Debt Service Sinking Fund	Library Debt Service Sinking Fund	Live Oak Sports Complex Sinking Fund	Livingston Sinking Fund	North Park Sinking Fund	Sewer # 2 Sinking Fund	Courthouse Sinking Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,286
-	-	-	-	-	-	-	-	-	-	-	3,427,883
-	-	-	-	-	-	-	-	-	-	-	46,460
-	-	-	-	-	-	-	-	-	-	-	32,004
-	-	-	-	-	-	-	-	-	-	-	220,204
-	-	-	-	-	-	-	-	-	-	-	1,281,091
-	-	-	-	-	-	-	-	-	-	-	75,428
-	625,319	-	-	-	791,900	292,750	-	690,600	160,682	-	2,710,517
-	5,047	11	16	87	4,223	-	10	-	-	66	801,534
-	630,366	11	16	87	1,247,409	292,750	10	690,600	160,682	66	9,057,459
-	-	-	-	-	-	-	-	-	-	-	200,839
-	-	-	-	-	-	-	-	-	-	-	2,324,179
-	-	-	-	-	-	-	-	-	-	-	2,999,020
-	-	-	-	-	17,213	-	-	-	-	-	17,213
-	-	-	-	-	17,213	-	-	-	-	-	5,541,251
-	-	-	300,000	1,150,000	385,000	80,000	95,000	120,000	45,000	345,000	2,520,000
-	-	-	25,000	570,488	191,874	211,300	196,415	571,180	112,850	743,381	2,629,698
-	-	-	-	-	147,732	-	-	-	-	-	147,732
-	-	-	325,000	1,720,488	724,606	291,300	291,415	691,180	157,850	1,088,381	5,297,430
-	-	-	-	-	-	-	-	-	-	-	-
-	626,993	206,814	-	-	-	-	-	-	-	-	6,799
-	-	-	-	-	-	-	-	-	-	-	833,807
-	-	-	-	-	-	-	-	-	-	-	-
-	626,993	206,814	-	-	-	-	-	-	-	-	840,606
-	626,993	206,814	325,000	1,720,488	741,819	291,300	291,415	691,180	157,850	1,088,381	11,679,287
-	3,373	(206,803)	(324,984)	(1,720,401)	505,590	1,450	(291,405)	(580)	2,832	(1,088,315)	(2,621,828)
-	-	-	325,000	1,748,400	-	-	295,800	-	-	1,135,103	3,511,670
-	-	-	-	-	-	-	-	-	-	-	(3,086,035)
-	-	-	-	-	6,180,000	-	-	-	-	-	6,180,000
-	-	-	-	-	(5,675,000)	-	-	-	-	-	(5,675,000)
-	-	-	-	-	(431,056)	-	-	-	-	-	(431,056)
-	-	-	-	-	82,978	-	-	-	-	-	82,978
-	-	-	325,000	1,748,400	156,922	-	295,800	-	-	1,135,103	582,557
-	3,373	(206,803)	16	27,999	662,512	1,450	4,395	(580)	2,832	46,788	(2,039,271)
-	234,896	206,803	475,365	1,324,951	1,313,668	393,420	113,053	865,991	239,071	317,110	2,684,855
\$ -	\$ 238,269	\$ -	\$ 475,381	\$ 1,352,950	\$ 1,976,180	\$ 394,870	\$ 117,448	\$ 865,411	\$ 241,903	\$ 363,898	\$ 645,584

**LIVINGSTON PARISH COUNCIL  
BINGO - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	\$ 26,500	\$ 25,516	\$ 32,004	\$ 6,488
Use of Money and Property	80	39	44	5
<b>Total Revenues</b>	<b>26,580</b>	<b>25,555</b>	<b>32,048</b>	<b>6,493</b>
<b>Expenditures:</b>				
Current Expenditures				
General Government	45	60	-	60
<b>Total Current Expenditures</b>	<b>45</b>	<b>60</b>	<b>-</b>	<b>60</b>
<b>Excess of Revenues Over Expenditures</b>	<b>26,535</b>	<b>25,495</b>	<b>32,048</b>	<b>6,553</b>
<b>Other Financing Uses:</b>				
Governmental Transfers Out	(11,000)	(91,000)	(91,000)	-
<b>Total Other Financing Uses</b>	<b>(11,000)</b>	<b>(91,000)</b>	<b>(91,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>15,535</b>	<b>(65,505)</b>	<b>(58,952)</b>	<b>6,553</b>
<b>Fund Balance, Beginning of Year</b>	<b>87,572</b>	<b>87,572</b>	<b>87,572</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 103,107</b>	<b>\$ 22,067</b>	<b>\$ 28,620</b>	<b>\$ 6,553</b>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**CRIMINAL COURT - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 204,480	\$ 159,640	\$ 137,620	\$ (22,020)
Total Revenues	204,480	159,640	137,620	(22,020)
<b>Expenditures:</b>				
Current Expenditures:				
General Government	111,067	147,679	104,132	43,547
Total Expenditures	111,067	147,679	104,132	43,547
Excess of Revenues Over Expenditures	93,413	11,961	33,488	21,527
<b>Other Financing Uses:</b>				
Governmental Transfers Out	(103,872)	(53,567)	(64,737)	(11,170)
Total Other Financing Uses	(103,872)	(53,567)	(64,737)	(11,170)
<b>Net Change in Fund Balance</b>	(10,459)	(41,606)	(31,249)	10,357
<b>Fund Balance, Beginning of Year</b>	95,174	95,174	95,174	-
<b>Fund Balance, End of Year</b>	\$ 84,715	\$ 53,568	\$ 63,925	\$ 10,357

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**CRIMINAL COURT WITNESS - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues:</b>				
Fines and Forfeitures	\$ 49,788	\$ 71,820	\$ 82,584	\$ 10,764
Use of Money and Property	130	109	82	(27)
<b>Total Revenues</b>	<b>49,918</b>	<b>71,929</b>	<b>82,666</b>	<b>10,737</b>
<b>Expenditures:</b>				
<b>Current Expenditures.</b>				
General Government	68,000	72,355	96,691	(24,336)
<b>Total Expenditures</b>	<b>68,000</b>	<b>72,355</b>	<b>96,691</b>	<b>(24,336)</b>
Excess of Revenues Over Expenditures	(18,082)	(426)	(14,025)	(13,599)
<b>Other Financing Uses:</b>				
Governmental Transfers Out	(1,500)	(1,500)	(1,500)	-
<b>Total Other Financing Uses</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(19,582)</b>	<b>(1,926)</b>	<b>(15,525)</b>	<b>(13,599)</b>
<b>Fund Balance, Beginning of Year</b>	<b>69,925</b>	<b>69,925</b>	<b>69,925</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 50,343</b>	<b>\$ 67,999</b>	<b>\$ 54,400</b>	<b>\$ (13,599)</b>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**HAZARD MITIGATION - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues.				
Federal Sources	\$ 800,000	\$ 250,000	\$ 69,463	\$ (180,537)
Total Revenues	<u>800,000</u>	<u>250,000</u>	<u>69,463</u>	<u>(180,537)</u>
<b>Expenditures:</b>				
Current Expenditures				
Public Safety	800,000	250,000	69,463	180,537
Total Current Expenditures	<u>800,000</u>	<u>250,000</u>	<u>69,463</u>	<u>180,537</u>
Total Expenditures	<u>800,000</u>	<u>250,000</u>	<u>69,463</u>	<u>180,537</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**JAIL SALES TAX - SPECIAL REVENUE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes.				
Sales Taxes	\$ 3,050,000	\$ 3,432,115	\$ 3,427,883	\$ (4,232)
Fees and Commissions	37,598	36,548	41,033	4,485
Intergovernmental Revenues.				
Federal Sources	-	-	5,965	5,965
Miscellaneous	1,156	8,582	9,634	1,052
Total Revenues	<u>3,088,754</u>	<u>3,477,245</u>	<u>3,484,515</u>	<u>7,270</u>
<b>Expenditures:</b>				
Current Expenditures.				
Public Safety	2,544,908	2,129,001	2,254,716	(125,715)
Total Current Expenditures	<u>2,544,908</u>	<u>2,129,001</u>	<u>2,254,716</u>	<u>(125,715)</u>
Debt Service.				
Interest and Fees	-	-	3,710	(3,710)
Total Debt Service Expenditures	<u>-</u>	<u>-</u>	<u>3,710</u>	<u>(3,710)</u>
Capital Outlay				
Public Safety	20,000	-	6,799	(6,799)
Total Capital Outlay	<u>20,000</u>	<u>-</u>	<u>6,799</u>	<u>(6,799)</u>
Total Expenditures	<u>2,564,908</u>	<u>2,129,001</u>	<u>2,265,225</u>	<u>(136,224)</u>
Excess of Revenues Over Expenditures	<u>523,846</u>	<u>1,348,244</u>	<u>1,219,290</u>	<u>(128,954)</u>
<b>Other Financing Uses:</b>				
Governmental Transfers Out	(1,765,488)	(1,765,488)	(1,793,400)	(27,912)
Total Other Financing Uses	<u>(1,765,488)</u>	<u>(1,765,488)</u>	<u>(1,793,400)</u>	<u>(27,912)</u>
<b>Net Change in Fund Balance</b>	<u>(1,241,642)</u>	<u>(417,244)</u>	<u>(574,110)</u>	<u>(156,866)</u>
<b>Fund Balance (Deficit), Beginning of Year</b>	<u>(5,464,088)</u>	<u>(5,464,088)</u>	<u>(5,464,088)</u>	<u>-</u>
<b>Fund Balance (Deficit), End of Year</b>	<u><u>\$ (6,705,730)</u></u>	<u><u>\$(5,881,332)</u></u>	<u><u>\$(6,038,198)</u></u>	<u><u>\$ (156,866)</u></u>

The accompanying notes are an integral part of this statement.



**LIVINGSTON PARISH COUNCIL  
OTHER - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of Money and Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current Expenditures:				
General Government	-	-	-	-
Total Current Expenditures	-	-	-	-
Total Expenditures	-	-	-	-
<b>Other Financing Uses:</b>				
Governmental Transfers Out	-	-	(295)	(295)
Total Other Financing Uses	-	-	(295)	(295)
<b>Net Change in Fund Balance</b>	-	-	(295)	(295)
<b>Fund Balance, Beginning of Year</b>	295	295	295	-
<b>Fund Balance, End of Year</b>	<u>\$ 295</u>	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ (295)</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
**COURT FEE - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fees and Commissions	\$1,300,000	\$ 1,300,000	\$1,240,058	\$ (59,942)
Use of Money and Property	-	583	1,022	439
<b>Total Revenues</b>	<u>1,300,000</u>	<u>1,300,583</u>	<u>1,241,080</u>	<u>(59,503)</u>
<b>Expenditures:</b>				
<b>Debt Service</b>				
Interest and Fees	-	-	3,500	(3,500)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>(3,500)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,300,000</u>	<u>1,300,583</u>	<u>1,237,580</u>	<u>(63,003)</u>
<b>Other Financing Uses:</b>				
Governmental Transfers Out	(1,088,382)	(1,092,833)	(1,135,103)	(42,270)
<b>Total Other Financing Uses</b>	<u>(1,088,382)</u>	<u>(1,092,833)</u>	<u>(1,135,103)</u>	<u>(42,270)</u>
<b>Net Change in Fund Balance</b>	211,618	207,750	102,477	(105,273)
<b>Fund Balance, Beginning of Year</b>	<u>73,286</u>	<u>73,286</u>	<u>73,286</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 284,904</u>	<u>\$ 281,036</u>	<u>\$ 175,763</u>	<u>\$ (105,273)</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
**PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS (PEG) - SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Franchise Taxes	\$ -	\$ 48,686	\$ 46,460	\$ (2,226)
Use of Money and Property	-	-	6	6
Total Revenues	-	48,686	46,466	(2,220)
<b>Expenditures:</b>				
Current Expenditures.				
General Government	-	-	16	(16)
Total Expenditures	-	-	16	(16)
Excess of Revenues Over Expenditures	-	48,686	46,450	(2,236)
<b>Other Financing Uses:</b>				
Governmental Transfers In	-	7,367	7,367	-
Total Other Financing Uses	-	7,367	7,367	-
<b>Net Change in Fund Balance</b>	-	56,053	53,817	(2,236)
<b>Fund Balance, Beginning of Year</b>	-	-	-	-
<b>Fund Balance, End of Year</b>	\$ -	\$ 56,053	\$ 53,817	\$ (2,236)

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**PARISH TRANSPORTATION CAPITAL OUTLAY -**  
**CAPITAL PROJECTS FUND**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues.				
State and Local Sources	\$ 810,000	\$ 815,558	\$ 941,166	\$ 125,608
Use of Money and Property	1,000	589	438	(151)
Total Revenues	<u>811,000</u>	<u>816,147</u>	<u>941,604</u>	<u>125,457</u>
<b>Expenditures:</b>				
Current Expenditures:				
Public Works	-	-	2,999,020	(2,999,020)
Total Current Expenditures	-	-	2,999,020	(2,999,020)
Capital Outlay.				
Public Works	750,000	3,241,314	-	3,241,314
Total Capital Outlay	<u>750,000</u>	<u>3,241,314</u>	<u>-</u>	<u>3,241,314</u>
Total Expenditures	<u>750,000</u>	<u>3,241,314</u>	<u>2,999,020</u>	<u>242,294</u>
Excess (Deficiency) of Revenues Over Expenditures	61,000	(2,425,167)	(2,057,416)	367,751
<b>Other Financing Sources:</b>				
Governmental Transfers In	-	100,000	-	(100,000)
Total Other Financing Sources	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<b>Net Change in Fund Balance</b>	61,000	(2,325,167)	(2,057,416)	267,751
<b>Fund Balance, Beginning of Year</b>	<u>2,338,363</u>	<u>2,338,363</u>	<u>2,338,363</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$2,399,363</u>	<u>\$ 13,196</u>	<u>\$ 280,947</u>	<u>\$ 267,751</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**LIVE OAK SPORTS COMPLEX CAPITAL OUTLAY -**  
**CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Intergovernmental Revenues:</b>				
State and Local Sources	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
<b>Capital Outlay.</b>				
Culture and Recreation	-	-	-	-
<b>Total Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
**OTHER CAPITAL OUTLAY - CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues:				
Federal Sources	\$8,061,000	\$ -	\$ -	\$ -
State and Local Sources	485,000	373,268	625,319	252,051
Use of Money and Property	-	5,047	5,047	-
<b>Total Revenues</b>	<u>8,546,000</u>	<u>378,315</u>	<u>630,366</u>	<u>252,051</u>
<b>Expenditures:</b>				
Capital Outlay:				
Public Works	8,546,000	613,210	626,993	(13,783)
<b>Total Capital Outlay</b>	<u>8,546,000</u>	<u>613,210</u>	<u>626,993</u>	<u>(13,783)</u>
<b>Total Expenditures</b>	<u>8,546,000</u>	<u>613,210</u>	<u>626,993</u>	<u>(13,783)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(234,895)</u>	<u>3,373</u>	<u>238,268</u>
<b>Net Change in Fund Balance</b>	-	(234,895)	3,373	238,268
<b>Fund Balance, Beginning of Year</b>	<u>234,896</u>	<u>234,896</u>	<u>234,896</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 234,896</u>	<u>\$ 1</u>	<u>\$ 238,269</u>	<u>\$ 238,268</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
SEWER # 2 CAPITAL OUTLAY - CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of Money and Property	\$ -	\$ -	\$ 11	\$ 11
Total Revenues	-	-	11	11
<b>Expenditures:</b>				
Capital Outlay:				
Public Works	-	206,802	206,814	(12)
Total Capital Outlay	-	206,802	206,814	(12)
Total Expenditures	-	206,802	206,814	(12)
Excess (Deficiency) of Revenues Over Expenditures	-	(206,802)	(206,803)	(1)
<b>Net Change in Fund Balance</b>	-	(206,802)	(206,803)	(1)
<b>Fund Balance, Beginning of Year</b>	206,803	206,803	206,803	-
<b>Fund Balance, End of Year</b>	<u>\$ 206,803</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**HEALTH UNIT DEBT SERVICE SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Use of Money and Property	\$ -	\$ 6	\$ 16	\$ 10
Total Revenues	-	6	16	10
<b>Expenditures:</b>				
Debt Service				
Principal	300,000	300,000	300,000	-
Interest	30,841	25,502	25,000	502
Total Debt Service	330,841	325,502	325,000	502
Total Expenditures	330,841	325,502	325,000	502
Excess (Deficiency) of Revenues Over Expenditures	(330,841)	(325,496)	(324,984)	512
<b>Other Financing Sources:</b>				
Governmental Transfers In	330,841	330,841	325,000	(5,841)
Total Other Financing Sources and	330,841	330,841	325,000	(5,841)
<b>Net Change in Fund Balance</b>	-	5,345	16	(5,329)
<b>Fund Balance, Beginning of Year</b>	475,365	475,365	475,365	-
<b>Fund Balance, End of Year</b>	\$ 475,365	\$ 480,710	\$ 475,381	\$ (5,329)

The accompanying notes are an integral part of this statement.



**LIVINGSTON PARISH COUNCIL  
JAIL DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues:</b>				
Use of Money and Property	\$ -	\$ 22,517	\$ 87	\$ (22,430)
Total Revenues	-	22,517	87	(22,430)
<b>Expenditures:</b>				
Debt Service:				
Principal	1,150,000	1,150,000	1,150,000	-
Interest	570,488	574,197	570,488	3,709
Total Debt Service	1,720,488	1,724,197	1,720,488	3,709
Total Expenditures	1,720,488	1,724,197	1,720,488	3,709
Excess (Deficiency) of Revenues Over Expenditures	(1,720,488)	(1,701,680)	(1,720,401)	(18,721)
<b>Other Financing Sources:</b>				
Governmental Transfers In	1,720,488	1,720,488	1,748,400	27,912
Total Other Financing Sources	1,720,488	1,720,488	1,748,400	27,912
<b>Net Change in Fund Balance</b>	-	18,808	27,999	9,191
<b>Fund Balance, Beginning of Year</b>	1,324,951	1,324,951	1,324,951	-
<b>Fund Balance, End of Year</b>	<u>\$1,324,951</u>	<u>\$1,343,759</u>	<u>\$1,352,950</u>	<u>\$ 9,191</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**LIBRARY DEBT SERVICE SINKING - DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes				
Property Taxes	\$ 425,000	\$ 425,000	\$ 451,286	\$ 26,286
Miscellaneous	-	-	791,900	791,900
Use of Money and Property	10,000	3,004	4,223	1,219
Total Revenues	<u>435,000</u>	<u>428,004</u>	<u>1,247,409</u>	<u>819,405</u>
<b>Expenditures:</b>				
Current Expenditures				
Culture and Recreation	65,000	65,000	17,213	47,787
Total Current Expenditures	<u>65,000</u>	<u>65,000</u>	<u>17,213</u>	<u>47,787</u>
Debt Service				
Principal	385,000	385,000	385,000	-
Interest	261,974	305,520	191,874	113,646
Cost of Issuance	-	107,482	147,732	(40,250)
Total Debt Service	<u>646,974</u>	<u>798,002</u>	<u>724,606</u>	<u>73,396</u>
Total Expenditures	<u>711,974</u>	<u>863,002</u>	<u>741,819</u>	<u>121,183</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(276,974)</u>	<u>(434,998)</u>	<u>505,590</u>	<u>940,588</u>
<b>Other Financing Sources and (Uses):</b>				
Proceeds from Refunding Bonds	-	6,180,000	6,180,000	-
Payment of Principal to Refunded Bond Escrow Agent	-	(6,505,000)	(5,675,000)	830,000
Payment of Interest to Refunded Bond Escrow Agent	-	-	(431,056)	(431,056)
Premiums (Discounts) on Debt	-	82,979	82,978	(1)
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(242,021)</u>	<u>156,922</u>	<u>398,943</u>
<b>Net Change in Fund Balance</b>	<u>(276,974)</u>	<u>(677,019)</u>	<u>662,512</u>	<u>1,339,531</u>
<b>Fund Balance, Beginning of Year</b>	<u>1,313,668</u>	<u>1,313,668</u>	<u>1,313,668</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$1,036,694</u>	<u>\$ 636,649</u>	<u>\$1,976,180</u>	<u>\$ 1,339,531</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**LIVE OAK SPORTS COMPLEX SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues:				
State and Local Sources	\$ 291,300	\$ 291,300	\$ 292,750	\$ 1,450
Use of Money and Property	-	10,747	-	(10,747)
Total Revenues	<u>291,300</u>	<u>302,047</u>	<u>292,750</u>	<u>(9,297)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	80,000	81,667	80,000	1,667
Interest	211,300	210,433	211,300	(867)
Total Debt Service	<u>291,300</u>	<u>292,100</u>	<u>291,300</u>	<u>800</u>
Total Expenditures	<u>291,300</u>	<u>292,100</u>	<u>291,300</u>	<u>800</u>
<b>Net Change in Fund Balance</b>	-	9,947	1,450	(8,497)
<b>Fund Balance, Beginning of Year</b>	<u>393,420</u>	<u>393,420</u>	<u>393,420</u>	-
<b>Fund Balance, End of Year</b>	<u>\$ 393,420</u>	<u>\$ 403,367</u>	<u>\$ 394,870</u>	<u>\$ (8,497)</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**LIVINGSTON SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fees and Commissions	\$ 100,000	\$ -	\$ -	\$ -
Use of Money and Property	-	-	10	10
<b>Total Revenues</b>	<u>100,000</u>	<u>-</u>	<u>10</u>	<u>10</u>
<b>Expenditures:</b>				
<b>Debt Service:</b>				
Principal	95,000	96,667	95,000	1,667
Interest	199,415	198,464	196,415	2,049
<b>Total Debt Service</b>	<u>294,415</u>	<u>295,131</u>	<u>291,415</u>	<u>3,716</u>
<b>Total Expenditures</b>	<u>294,415</u>	<u>295,131</u>	<u>291,415</u>	<u>3,716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(194,415)</u>	<u>(295,131)</u>	<u>(291,405)</u>	<u>3,726</u>
<b>Other Financing Sources:</b>				
Governmental Transfers In	194,266	295,131	295,800	669
<b>Total Other Financing Sources</b>	<u>194,266</u>	<u>295,131</u>	<u>295,800</u>	<u>669</u>
<b>Net Change in Fund Balance</b>	(149)	-	4,395	4,395
<b>Fund Balance, Beginning of Year</b>	<u>113,053</u>	<u>113,053</u>	<u>113,053</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 112,904</u>	<u>\$ 113,053</u>	<u>\$ 117,448</u>	<u>\$ 4,395</u>

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**NORTH PARK SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues.				
State and Local Sources	\$ 691,180	\$ 691,180	\$ 690,600	\$ (580)
Total Revenues	691,180	691,180	690,600	(580)
<b>Expenditures:</b>				
Debt Service:				
Principal	120,000	120,000	120,000	-
Interest	571,180	571,180	571,180	-
Total Debt Service	691,180	691,180	691,180	-
Total Expenditures	691,180	691,180	691,180	-
<b>Net Change in Fund Balance</b>	-	-	(580)	(580)
<b>Fund Balance, Beginning of Year</b>	865,991	865,991	865,991	-
<b>Fund Balance, End of Year</b>	\$ 865,991	\$ 865,991	\$ 865,411	\$ (580)

The accompanying notes are an integral part of this statement

**LIVINGSTON PARISH COUNCIL**  
**SEWER # 2 SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues:				
State and Local Sources	\$ 159,538	\$ 157,064	\$ 160,682	\$ 3,618
Use of Money and Property	-	23	-	(23)
Total Revenues	<u>159,538</u>	<u>157,087</u>	<u>160,682</u>	<u>3,595</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	45,000	45,000	45,000	-
Interest	112,850	112,850	112,850	-
Total Debt Service	<u>157,850</u>	<u>157,850</u>	<u>157,850</u>	-
Total Expenditures	<u>157,850</u>	<u>157,850</u>	<u>157,850</u>	-
<b>Net Change in Fund Balance</b>	1,688	(763)	2,832	3,595
<b>Fund Balance, Beginning of Year</b>	<u>239,071</u>	<u>239,071</u>	<u>239,071</u>	-
<b>Fund Balance, End of Year</b>	<u>\$ 240,759</u>	<u>\$ 238,308</u>	<u>\$ 241,903</u>	<u>\$ 3,595</u>

The accompanying notes are an integral part of this statement.

**LIVINGSTON PARISH COUNCIL**  
**COURTHOUSE SINKING - DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of Money and Property	\$ -	\$ 49	\$ 66	\$ 17
Total Revenues	<u>-</u>	<u>49</u>	<u>66</u>	<u>17</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	345,000	345,000	345,000	-
Interest	743,382	747,882	743,381	4,501
Total Debt Service	<u>1,088,382</u>	<u>1,092,882</u>	<u>1,088,381</u>	<u>4,501</u>
Total Expenditures	<u>1,088,382</u>	<u>1,092,882</u>	<u>1,088,381</u>	<u>4,501</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,088,382)</u>	<u>(1,092,833)</u>	<u>(1,088,315)</u>	<u>4,518</u>
<b>Other Financing Sources:</b>				
Governmental Transfers In	<u>1,088,382</u>	<u>1,092,833</u>	<u>1,135,103</u>	<u>42,270</u>
Total Other Financing Sources	<u>1,088,382</u>	<u>1,092,833</u>	<u>1,135,103</u>	<u>42,270</u>
<b>Net Change in Fund Balance</b>	-	-	46,788	46,788
<b>Fund Balance, Beginning of Year</b>	<u>317,110</u>	<u>317,110</u>	<u>317,110</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 317,110</u>	<u>\$ 317,110</u>	<u>\$ 363,898</u>	<u>\$ 46,788</u>

The accompanying notes are an integral part of this statement.

## LIVINGSTON PARISH COUNCIL

SCHEDULE OF INSURANCE IN FORCE  
(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Issuer</u>	<u>Expiration Date</u>	<u>Coverage</u>	<u>Amount</u>
Southern Insurance Company	9/28/13	Property Blanket Earthquake Flood	\$ 39,960,948 1,000,000 1,000,000
Atain Specialty Insurance Company	12/22/13	General Liability	1,000,000 /per occurrence 2,000,000 agregate limit
Southern Insurance Company	9/28/13	Auto liability Vehicles and equipment items	300,000
Southern Insurance Company	9/28/13	Inland Marine Accounts receivable Computer equipment Contractors equipment Leased, borrowed or rented equipment	100,000 100,000 2,289,332 75,000
Southern Insurance Company	9/28/13	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 25,000 25,000 25,000 250,000 25,000
Continental Casualty Company	9/28/13	Boiler and Machinery Equipment Breakdown Limit Expending expenses Business income Spoilage Damage Utility Interuption Fungus, wet rot and dry rot Ordinance or law	39,960,948 250,000 100,000 250,000 100,000 15,000 500,000

See auditor's report



**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF SEWER RATES AND NUMBER OF CUSTOMERS**  
**(UNAUDITED)**

FOR THE YEAR ENDED DECEMBER 31, 2012

Records maintained by the Livingston Parish Council indicated the number of residential and commercial users for sewer systems at December 31, 2012 were as follows:

Residential customer count	303	Commercial customer count	7
Flat fee.	\$ 30	Flat fee.	\$ 40

## LIVINGSTON PARISH COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass-Through Grantor Program Name	Federal CFDA Number	Grant Number	Federal Expenditures
<u>U S Department of Housing and Urban Development</u>			
Passed through Louisiana Office of Community Development			
CDBG- State-Administered CDBG Cluster			
Community Development Block Grant -			
Comprehensive Resiliency [1]	14 228		\$ 52,780
Gustav/Ike Recovery [1]	14 228		814,281
Katrina/Rita Master Plan [1]	14 228		199,679
Passed through Louisiana Office of Community Services			
ARRA - Homeless Prevention & Rapid Re-Housing	14 257	370-001847	<u>53,155</u>
Total U S. Department of Housing and Urban Development			1,119,895
<u>U S Department of the Interior</u>			
Fish and Wildlife Service			
Coastal Impact Assistance Program			
Hydrologic Restoration	15 668	F12AF70245	<u>106,072</u>
Total U S. Department of the Interior			106,072
<u>U S Department of Transportation</u>			
Passed through Louisiana Department of Transportation and Development			
Highway Planning and Construction Cluster			
Safe Routes to School - South Walker Road [2]	20 205		160,790
Eden Church Road Improvements [2]	20 205		1,867,919
Council on Aging Grant	20 509		209,000
ARRA- Council on Aging Grant	20 509		5,831
Passed through Louisiana Office of State Parks			
Highway Planning and Construction Cluster			
Community Recreation Trail - City of Denham Springs [2]	20.219		<u>22,616</u>
Total U. S. Department of Transportation			2,266,156

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass-Through Grantor Program Name	Federal CFDA Number	Grant Number	Federal Expenditures
<b><u>U S Environmental Protection Agency</u></b>			
Passed through Louisiana Office of the Chief Financial Officer			
Congressionally Mandated Projects			
Holden Sewer Upgrade - Phase 4	66 202		80,000
Total U S Environmental Protection Agency			80,000
<b><u>U S Department of Energy</u></b>			
Alternative Fuel Methane Study	81 087	DE-FG36-05GO085016	410,826
Energy Efficiency and Conservation Block Grant - ARRA	81.128	DE-SC0003000	399,785
Passed through Louisiana Department of Natural Resources			
Energy Efficiency and Conservation Block Grant - ARRA	81 128	EEA-1031	135,612
Total U S Department of Energy			946,223
<b><u>U S Department of Homeland Security / Federal Emergency Management Agency</u></b>			
Passed through Governor's Office of Homeland			
Security and Emergency Preparedness			
Public Assistance Grant - Hurricane Isaac	97 036		584,146
Hazard Mitigation Grant Program:			
Hazard Mitigation Grant Program Elevation	97 039	1603-063-0003	38,487
Hazard Mitigation Grant Program Pilot Reconstruction	97 039	1603-063-0001	30,976
Emergency Management Performance Grant:			
Emergency Management Performance Grant	97 042	EMW-2011-EP-0058	32,652
Interoperable Emergency Communications Grant	97 042		2,624
Homeland Security Cluster:			
Urban Area Security Initiative (UASI) [3]	97 067	2010-SS-TO-0043	41,197
State Homeland Security Program (SHSP) [3]	97 067	2009-SS-T9-0059	130,000
State Homeland Security Program (SHSP) [3]	97 067		2,261
Citizen Corps Program (CCP) [3]	97 067	2010-SS-TO-0043	2,793
Citizen Corps Program (CCP) [3]	97 067		1,694
Emergency Operations Grant Program [3]	97 067	DHS-09-GPD-052-1970	1,627
Total U S. Federal Emergency Management Agency			868,457
Total Expenditures of Federal Awards			<b>* \$ 5,386,803</b>

(CONTINUED)

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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

See accompanying notes to Schedule of Expenditures of Federal Awards

**LIVINGSTON PARISH COUNCIL**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards includes the grant activity of Livingston Parish Council and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Sub-recipients**

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

- \$219,672 to Livingston Parish Fire Protection District Number 9 on CFDA number 14.228.
- \$ 53,155 to Women Outreaching Women shelter on CFDA number 14 257
- \$ 22,616 to City of Denham Springs on CFDA number 20 219
- \$214,831 to Livingston Parish Council on Aging on CFDA number 20.509.
- \$ 6,171 to City of Denham Springs on CFDA number 81.128.
- \$ 44,440 to City of Walker on CFDA number 81.128.
- \$ 23,765 to Town of Albany on CFDA number 81.128.
- \$ 16,923 to Town of Killian on CFDA number 81.128.
- \$ 40,377 to Town of Livingston on CFDA number 81 128
- \$138,026 to Livingston Parish Sheriff on CFDA number 97.067

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

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www.htbcpa.com  
June 28, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Layton Ricks, Parish President  
and Members of the Livingston Parish Council  
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the primary government's financial statements of the governmental activities, the business-type activity, each major fund, the budgetary comparison statements of the major funds, and the aggregate remaining fund information of the Livingston Parish Council (the Council) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated June 28, 2013.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2012-01 through 2012-03, 2012-05 through 2012-07, 2012-09, 2012-10, 2012-12, 2012-13, 2012-21, 2012-24 and 2012-25 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies as items 2012-04, 2012-08, 2012-11, and 2012-22.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2012-14 through 2012-16.

### **The Council's Response 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose, however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Harold J. Bougeois, CPA*



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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June 28, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Layton Ricks, 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 Circular A-133 Compliance Supplement* that could have a direct and material effect on the Council's major federal programs for the year ended December 31, 2012. The Council's major federal programs are identified in the summary of auditor's result's 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 program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on CFDA 81.087 Alternative Fuel Methane Study and CFDA 97.036 Public Assistance Grant – Hurricane Isaac***

As described in findings 2012-26 and 2012-27 in the accompanying schedule of findings and questioned costs, the Council did not comply with requirements regarding the following:

<b>Finding #</b>	<b>CFDA #</b>	<b>Program (or Cluster) Name</b>	<b>Compliance Requirement</b>
2012-27	81.087	Alternative Fuel Methane Study	Matching
2012-26	97.036	Public Assistance Grant - Hurricane Isaac	Allowable Costs

Compliance with such requirements is necessary, in our opinion, for the Council to comply with the requirements applicable to the programs.

***Qualified Opinion on CFDA 81.087 Alternative Fuel Methane Study and CFDA 97.036 Public Assistance Grant - Hurricane Isaac***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Livingston Parish Council, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 81 087 Alternative Fuel Methane Study and CFDA 97 036 Public Assistance Grant - Hurricane Isaac for the year ended December 31, 2012

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the Livingston Parish 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 other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-22, 2012-23 and 2012-28 through 2012-30 Our opinion on each major federal program is not modified with respect to these matters.

The Council’s responses to the noncompliance 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 compliance and, accordingly, we express no opinion on the responses

***Report on Internal Control Over Compliance***

Management of the Livingston Parish 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 OMB Circular A-133, but not for the purpose of expressing

an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Council's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-17, 2012-18, 2012-20, 2012-21, and 2012-24 through 2012-27 to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-19, 2012-22, 2012-23, and 2012-28 through 2012-30 to be significant deficiencies.

The Council's responses to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Hannu J. Bourgeois, CPA*

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED DECEMBER 31, 2012

**A. As required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the following is a summary of the results of our audit:**

**Financial Statements**

Type of auditor's report issued Adverse, Qualified and Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ x \_\_\_\_\_ Yes \_\_\_\_\_ No
- Significant deficiencies identified? \_\_\_\_\_ x \_\_\_\_\_ Yes \_\_\_\_\_ None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes \_\_\_\_\_ x \_\_\_\_\_ No

**Federal Awards**

Internal control over major programs.

- Material weaknesses identified? \_\_\_\_\_ x \_\_\_\_\_ Yes \_\_\_\_\_ No
- Significant deficiencies identified? \_\_\_\_\_ x \_\_\_\_\_ Yes \_\_\_\_\_ None Reported

Type of auditor's report issued on compliance for major programs

- Qualified for 81.087 and 97 036
- Unmodified for 14.228, 20 205 and 20.219

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_ x \_\_\_\_\_ Yes \_\_\_\_\_ No

The following programs were tested as Type "A" major program:

Federal Grantor /Pass - Through Grantor/ Program Name	CFDA Number
<b><u>U S Department of Housing and Urban Development</u></b>	
Passed through Louisiana Office of Community Development	
CDBG- State-Administered CDBG Cluster	
Community Development Block Grant -	
Comprehensive Resiliency [1]	14 228
Gustav/Ike Recovery [1]	14 228
Katrina/Rita Master Plan [1]	14 228
<b><u>U S Department of Transportation</u></b>	
Passed through Louisiana Department of	
Transportation and Development	
Highway Planning and Construction Cluster	
Safe Routes to School - South Walker Road [2]	20 205
Eden Church Road Improvements [2]	20 205
Passed through Louisiana Office of State Parks	
Highway Planning and Construction Cluster	
Community Recreation Trail - City of Denham Springs [2]	20 219

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Federal Grantor /Pass - Through Grantor/ Program Name (Continued)</u>	<u>CFDA Number</u>
<u>U S Department of Energy</u>	
Alternative Fuel Methane Study	81 087
Energy Efficiency and Conservation Block Grant - ARRA	81 128
Passed through Louisiana Department of Natural Resources	
Energy Efficiency and Conservation Block Grant - ARRA	81 128
<u>U S Department of Homeland Security / Federal Emergency Management Agency</u>	
Passed through Governor's Office of Homeland	
Security and Emergency Preparedness	
Public Assistance Grant - Hurricane Isaac	97 036

[1] CDBG - State Administered CDBG Cluster

[2] Highway Planning and Construction Cluster

- The threshold for distinguishing Types A and B programs was \$300,000
- The Livingston Parish Council did not qualify as a low-risk auditee.

**B. Findings - Internal Control Over Financial Reporting -**

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

**Criteria:**

Timely reconciliations of general ledger balances with supporting schedules is necessary to determine if all accounting transactions are properly recorded and balances are accurate to ensure that balances reported on the financial statements are correct

**Condition**

During the prior annual audit and in the current year audit, we noted a lack of preparation of timely reconciliations of the various accounts comprising many of the major accounting cycles of the Council's various funds including but not limited to cash, accounts receivable, inventory, other assets, capital assets, deferred outflows, accounts payable, accrued liabilities, long term debt, equity, revenues, expenditures, and other financing sources (uses).

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

The following net adjustments were required to the original trial balance provided to us for audit that resulted from the Council not having timely and accurate reconciliations across all funds and accounting cycles.

- Cash and Investments was decreased by net adjustments of \$(5,653,828)
- Receivables was increased by net adjustments of \$2,622,190
- Inventory was decreased by net adjustments of \$(47,670)
- Other Assets was decreased by net adjustments of \$(2,968,799)
- Capital Assets was increased by net adjustments of \$4,162,399
- Deferred Outflows was increased by net adjustment of \$431,056
- Payables was increased by net adjustments of \$592,920
- Long Term Debt was decreased by net adjustments of \$(4,872,583)
- Equity was decreased by net adjustments of \$(3,847)
- Revenues was increased by net adjustments of \$2,972,945
- Expenditures excluding Capital Outlay was decreased by net adjustments of \$(3,542,329)
- Capital Outlay expenditures was increased by net adjustments of \$4,206,406
- Other Financing Sources (Uses) was decreased by net adjustments of \$(6,164,099)
- Net effect on Net Income was decreased by net adjustments of \$(3,839,856)

As identified above, many of the net adjustments are material to the financial statements and without being corrected the financial statements would have been completed with errors.

We were originally informed that all reconciliations were being performed and that trial balances for each of the individual funds and audit schedules for the major accounts would be available prior to the start of our audit fieldwork and accurately closed. Upon beginning our audit, we determined this had not been completed accurately for many accounts. We requested for the finance staff to update the schedules provided to us that contained errors and provide supporting documentation to correct errors. The overall condition and accuracy of the accounting records including the lack of reconciliations and documentation that we requested for the audit caused significant delays and a significant amount of extra time for us to complete our audit procedures. Additional details on these matters are included in the following additional findings below

#### Effect:

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

#### Recommendation:

We again recommend that formal reconciliations be performed on all of the various accounts that comprise the major accounting cycles of the Council's various funds. These reconciliations should be performed on at least on a monthly basis. A formal reconciliation form should be developed for each account that should be completed and initialed by the preparer and then reviewed and initialed by the

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Director of Finance Any outages or differences should be investigated and resolved accordingly. It is imperative that these reconciliations be completed on a timely basis. By implementing these procedures, the overall accuracy and timeliness of financial reporting will be vastly improved and management would be provided with correct financial statements so finances of the Council could be better monitored during the year. In addition, we recommend that formal policies and procedures over the accounting cycles and year end accounting close be developed so that accurate reconciliations are available for audit.

#### Management's Response:

Formal reconciliations of all major areas of the accounting cycle are now being reconciled and approved monthly. The reconciliation summary is approved by the Director of Finance and maintained in the monthly reconciliation binder located in the Director of Finance's office. Additionally, the accounting policies and procedures manual is currently being reviewed and updated.

#### **Finding 2012-2**      **Bank Reconciliation and Cash Audit Adjustments:**

##### Criteria:

Bank account reconciliations should be performed timely and include documentation to support the reconciling items such as a listing of outstanding checks and outstanding deposits. The bank balance on the bank statements needs to be reconciled to the general ledger balance. State law at LSA RS 10:4-406(d)(2) allows thirty days after a bank statement is mailed for a bank customer to dispute transactions and be brought to the banks attention for resolution.

##### Condition:

Bank reconciliations and cash accounts were not properly reconciled to the general ledger on a timely basis. Some of the bank reconciliations provided to us for audit showed that the reconciliation was completed four or five months after the December 31 year end. As a result, numerous adjustments were required to be recorded to the original trial balance presented at the beginning of the audit. During the current year audit, we noted the following issues relating to the bank reconciliation process:

- a. The consolidated cash reconciliation did not include a \$94,512 balance that was collected in the month of December 31, 2011. An adjustment was required to add this cash back to the bank reconciliation.
- b. The consolidated cash reconciliation originally provided at the beginning of our audit fieldwork contained a difference of \$16,311 between the reconciled balance and the unadjusted general ledger balance. After the beginning of our audit fieldwork in April 2013, management reconciled the consolidated cash for the year ended December 31, 2012 to identify the \$16,311 difference. We noted other bank accounts that were not reconciled in a timely manner.
- c. We noted that \$246,922 in checks collected during the month December 2012 were held and not timely deposited when collected. These checks were deposited in January 2013. This balance was included in the accounts receivable balance in error instead of correctly accounting for this cash as a deposit in transit.



## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

- d. The Library Debt Service Sinking Fund included cash totaling \$5,996,297 that no longer belonged to the Council as this cash was transferred to the Bond Escrow Agent in a transaction to advance refund the Library General Obligation Bonds, Series 2004. An adjustment was necessary to the original trial balance provided to us to correct this error.
- e. The original trial balances provided to us for audit reflected negative cash balances in several of the funds in the consolidated cash account. This account is held in one bank and the bank reconciliation showed a net positive cash balance. Accounting principles require a negative cash balance to be reported in any fund to be offset by funds with positive cash balances when the bank reconciliation has positive net cash. Audit adjustments were necessary to record this right of offset with the difference reported as inter-fund loans.

During the audit, numerous account adjustments were required to properly reconcile the cash accounts to the general ledger and schedules prepared by the Parish Council's staff. The net effect of all entries posted to cash and cash equivalents and restricted cash totaled to a decrease of \$(5,653,828).

#### Effect:

As noted in the condition of the records provided for audit, accounting information and schedules provided by management may not be accurate without a timely reconciliation. Further, management may not have all the necessary accurate information to properly manage its resources. Additionally, unauthorized transactions may be processed by the bank and not noted by management timely enough to request the bank to correct the error in accordance with state law.

#### Recommendation:

We recommend that bank reconciliations be prepared for all cash accounts and the reconciliation needs to be completed timely and accurately within 30 days after the end of each month. All cash accounts that contain activities during the year should have an account created in the accounting software and chart of accounts. We further recommend that a review process be established and implemented that is designed to identify significant and/or unusual items to ensure the accuracy of information. Additionally, we recommend for management to become familiar with accounting related to debt refinancing so that cash transferred to a bond escrow agent does not continue to be accounted for on the Council's books.

#### Management's Response

Bank reconciliations are now prepared by the 15th of the following month for each cash account, with the exception of any reconciliations that were required to be undone and reconciled from the beginning of the year due to audit adjusting journal entries.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2012

**Finding 2012-3**     **Accounts Payable and Accounts Receivable Aging:**

**Criteria**

The balance for accounts payable and receivables recorded on the trial balances used to prepare the financial statements should include all transactions that occurred during the year based on the accrual basis of accounting.

**Condition**

The accounts payable and receivable detailed documentation that management provided for audit did not include all of the accruals that met the accounting requirements to be recorded for transactions that occurred during the year ended December 31, 2012. In addition, during the year end closing process completed by management to prepare for the audit, several expenditures were reclassified that were recorded in the incorrect fund to the correct fund but management did not correctly reclassify the accounts payable balance related to these expenditures to the correct fund. As indicated in finding 2012-1 above, receivables were corrected by a net adjustment of \$2,622,190 while payables required adjustments totaling \$592,920. We noted that accounts receivable and accounts payable aging schedules were not being reconciled monthly. These errors identified with the balances provided by management in accounts receivable and payable resulted in significant delays in completing audit procedures. In addition, the financial statements were materially misstated without these errors being corrected by management.

**Effect:**

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

**Recommendation:**

We recommend for management to develop a detailed accounting policy and procedure manual and train all accounting personnel on the accounts receivable and payable cycles. All department managers should be informed that all invoices and reimbursement requests must be forwarded to the accounting department by a designated date each month so that all accruals or receivables and payables can be properly recorded. We further recommend that accounts receivable and payable aging reports be generated on a monthly basis and reconciled to the general ledger for each fund, and any necessary adjustments recorded in a timely manner. We also recommend that all balance sheet accounts be reconciled monthly and that all adjustments be reviewed and recorded timely. Additionally, these monthly reconciliations should be reviewed to ensure that the reconciliations are performed timely, accurately, and all adjustments necessary are recorded promptly. The review of the monthly reconciliations should be documented including management approval and dates to indicate when the review and approval occurred. These procedures will assist in providing accurate and more meaningful financial statements, including all accruals based on when the transactions occurred. A benefit of monthly reconciliations is that errors do not accumulate, but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. In addition, the Council Members can be provided more accurate and timely financial reporting to be used in the budgeting process.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Management's Response:

Formal reconciliations of all major areas of the accounting cycle are now being reconciled and approved monthly. The reconciliation summary is approved by the Director of Finance and maintained in the monthly reconciliation binder located in the Director of Finance's office. Steps have been taken to educate department heads on the timely submission of all payable and receivable items to ensure complete information is provided with the year end reconciliation.

**Finding 2012-4**     **Inventory:**

Criteria:

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

Condition:

In completing the auditing procedures on inventory, we noted several discrepancies related to the inventory cycle.

- a. We noted the supporting documentation that included the detail of each inventory item and the total value of the inventory in the Road Fund was not reconciled to the general ledger balance at December 31, 2012. In addition, we noted the total value of parts inventory was not included in a summary listing of all other inventory. An adjustment was necessary to correct this error to reconcile the general ledger inventory balance to agree with the balance on the supporting documentation.
- b. For the inventory on the Jail Fund, the Council recorded the balance of the medical supplies at December 31, 2012; however, this inventory had not been previously recorded. The adjustment recorded by the Council to the current year inventory balance reduced the expense at December 31, 2012, not taking into account the balances that would have been in place at December 31, 2011. This practice does not comply with the consistency theory of accounting.
- c. We also noted, during the inventory price testing of road materials, that the price used to value the inventory did not reflect the price paid for the inventory on the latest invoice for receipt of the material.

Effect.

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

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Recommendation

Management currently tracks the inventory through the use of spreadsheets and adjusted annually based on the quantity of each item and the latest price paid for the items on hand. This spreadsheet is then used for the month-end physical inventory count. We recommend that the perpetual inventory be incorporated in an inventory module of an integrated accounting software system. By tracking inventory through the accounting system the Council will improve the efficiency of the physical inventory process. Additionally, redundant processing will not be necessary to maintain purchase information. We further recommend that periodic inventory reconciliations are computed and compared to the general ledger and the inventory records in order to test the accuracy of the system. This would assist in providing accurate and more meaningful financial statements. A benefit of monthly reconciliations is that errors do not accumulate, but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. We also recommend for management to record the proper accounting adjustments where any other fund determines the necessity to record inventory. These recommendations would afford the Council Members more accurate financial reporting to be used in the budgeting process.

Management's Response:

Recommendations to implement a perpetual inventory system will be taken into consideration to determine if this is the best method to provide timely and accurate recording of inventory.

**Finding 2012-5**      **Expenditure Approval and Coding:**

Criteria:

Accounting transactions for expenditures should be recorded in the appropriate account based on a predetermined policy that identifies the appropriate account. Also each transaction should be supported by appropriate documentation and have approvals from the appropriate level of management from the requisition through the payment of the expenditure. The approval procedures should be consistently applied and followed by all departments.

Condition:

During the 2012 audit procedures on expenditures, it was determined that the Parish Council's approval process for the cash disbursement process does not contain sufficient appropriate evidence of a review of invoices prior to payment or indication of the general ledger account that the invoice needs to be recorded along with the budget coding. We noted the Council does not follow a policy that is consistently applied on purchases. We also noted the following exceptions to the test of transactions:

- a. There were three expenditure transactions where the Council did not provide sufficient appropriate supporting documentation for us to determine the nature of the expenses. We requested all supporting documentation related to each expenditure transaction that we selected for review. In the case of these three, the Council only provided us with the copy of the checks.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

- b. There were twenty-two expenditure transactions recorded in an account or fund that was not recorded to the correct account at the time the transaction was recorded in the general ledger. In addition, there were three expenditure transactions where the Council could not provide sufficient appropriate support for us to determine if the transaction was properly recorded to the correct account. We noted the Council's accounting department recorded many correcting entries in the general ledger during the closing process to reclassify transactions that were originally recorded in the wrong accounts.
- c. Management explained that a stop payment request was submitted to the bank on one item we requested, however, management could not provide documentation of the bank's acknowledgement of the stop payment. We did review the bank statement for several months after the transaction date noting the check had not cleared the bank.
- d. There were seventy-one transactions that we reviewed where we were not able to determine if the transactions contained the appropriate approvals.
- e. There were thirty-two transactions that we reviewed where a purchase order was required for the transaction but the purchase order was not approved on thirty of the transactions and not provided on two of the transactions.
- f. There were twenty-three transactions that we reviewed where a requisition was required for the transaction but the requisition was not approved on sixteen of the transactions and not provided on seven of the transactions.

#### Effect.

The lack of having procedures for initiating, approving and recording purchases that are consistently applied across all purchases could result in payments for purchases that were not authorized. Without the proper system of controls in place, unauthorized purchases could occur and not be detected. There is the likelihood that an error or omission may occur in the financial statements as a result of unauthorized transactions being recorded in the accounting records.

#### Recommendation:

Management does not consistently approve purchases prior to being made, and there are no set dollar thresholds above which additional approval is required prior to the purchase and disbursement. We recommend that the Council approve a policy of using a rubber stamp which provides spaces for such approvals or checks and consistently apply these procedures without exception. Employees responsible for making such approvals or checks should be instructed to insert their initials in the spaces provided and also record the general ledger account number and budget information on the invoice. We recommend that account numbers become part of the description on the computerized check stubs. This improvement will serve as an additional safeguard that the payment is charged to the correct account when the payment is being reviewed and approved. We also noted that a review of expenditures to determine if they comply with budgeted expenditures was not being completed prior to the checks being issued and signed. We recommend that during the review of expenditures for payment, a procedure be established and implemented to ensure that expenditures are within the budget.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Management's Response

Steps have been implemented in 2013 to identify and use proper coding for all expenditures. Lists have been updated to delete or add valid account codes to ensure proper coding.

The coding is attached to each check and the director of finance reviews for reasonableness prior to initialing back up and signing each check.

#### **Finding 2012-6      Segregation of Duties:**

##### Criteria:

Duties and responsibilities within the various accounting cycles should be segregated amongst the various accounting personnel to minimize any opportunity for errors, irregularities or improprieties within the accounting functions. The basic premise is that no one individual should have access to all phases of a transaction.

##### Condition:

Internal controls are designed to safeguard assets and to help to deter losses from employee dishonesty or error. A fundamental concept in a good system of internal controls is the segregation of duties. During the current year audit, we noted several areas where there is a lack of segregation of duties including the following.

- The employee responsible for reconciling the bank accounts is also the person who is receiving the unopened bank statement. There is no supervisor review of the statements prior to the start of the reconciliation process.
- The individual responsible for recording cash receipts to the general ledger also makes the deposits. In addition, this employee also has authority to make bank transfers and has the ability to modify the master file.
- The employee who initiates the checks also prints the checks and maintains the check stock in their office. In addition, the individual has the ability to post adjustments to the cash account and modify the vendor master file.
- The employee responsible for investigating discrepancies identified during the preparation of the bank reconciliation also has access to post journal entries. There was no review process in place for any such journal entries.
- Our review of the Council's payroll system showed that the person responsible for preparing the payroll also uploads the direct deposit information to the bank for transfer, transfers the funds from the consolidated cash account to the payroll cash account and has the access to modify master personnel files

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Effect.

A lack of properly designed internal controls including segregation of duties could result in errors, irregularities or improprieties occurring and not being detected.

#### Recommendation.

The following discusses several recommendations that could be implemented to improve existing internal controls.

- Bank statements, cancelled checks, and appropriate advices should be received unopened by someone other than employees maintaining cash records, such as the Director of Finance or the Parish President. These items should be reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly
- The individual responsible for recording cash receipts should not have the authority to make bank transfers or should not be making the cash deposits. These processes should be evaluated and re-assigned as necessary based upon other changes made to internal controls.
- The same employee should not be able to initiate checks, print checks, maintain check stock, record adjusting entries to cash, make transfers and modify vendor records. These processes should be evaluated and re-assigned as necessary based upon other changes made to internal controls.
- A review process should be implemented for all cash journal entries recorded during the reconciliation and investigation processes.
- The transfer of funds from the consolidated cash account to the payroll account should be handled by an employee outside of the payroll/personnel area.
- We recommend that the accounting duties be reviewed, evaluated and re-assigned as considered necessary to maintain an adequate segregation of duties. We also recommend that the finance committee remain actively involved in the financial reporting and budgeting processes.

We recommend that the Council make the following analysis for each accounting function to determine that segregation of duties exists.

- Make a list of management personnel and the accounting duties which they perform
- Isolate any incompatible accounting functions that are the responsibility of one employee.
- Reassign responsibility for these duties, if practical, or create a supervisory review of these functions
- Evaluate current employee access to the various accounting software modules and ensure employees only have access to the modules which allow them to perform their job duties.

#### Management's Response:

All accounting duties will be reviewed and segregation of duties implemented where needed. This process began immediately and the majority of the recommendations have already been implemented.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

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

**Criteria:**

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

The financial statement closing process can be more efficient if a checklist is prepared of all the areas where reconciliations and adjustments are necessary including a list of individuals who are responsible for each area and the deadlines for completion.

**Condition:**

During our current year audit, we noted the Council did not maintain sufficient appropriate documentation on journal entries recorded in the general ledger to indicate the purpose of the entry. We noted that all accounting staff have the authority to enter journal entries into the general ledger. We also noted the Council's accounting department did not have a formal procedure or system in place to track or approve journal entries in the accounting records. We noted a record of each journal entry can be printed after the entry is recorded in the accounting system but there was no indication of the reason for the entry, who proposed the entry, who reviewed the entry, and who authorized the entry to be recorded. In addition, a journal entry log or register was not available. We provided management with an itemized listing of journal entries to test. Management spent a considerable amount of time gathering the supporting documentation for each entry since this documentation was not filed with each entry. In addition, we noted the following matters.

- There was no indication of who initiated, who recorded, who approved, or an explanation of the purpose for each of the 40 journal entries that we tested
- No documentary support was provided on four of the journal entries we tested
- On fourteen of the entries, we noted management recorded multiple entries to eventually record the accounting transactions in what appeared to be the correct account.
- On three of the entries, we noted the transaction balance was recorded to the incorrect account and an audit entry was provided to management to correct the error.

Further, we noted the Council's accounting department did not have a formal financial closing process procedure developed. The lack of this procedure and assignments of responsibility for each area of the financial statement closing process contributed to the Council experiencing delays in the completion of the financial statement audit.



## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Effect

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

The lack of having a formal financial closing process and assignments of responsibility for each area of the financial statement closing process contributed to the Council experiencing delays in the completion of the financial statement audit as several adjustments to correct errors were necessary to the original trial balance that management presented for audit

#### Recommendation:

We recommend the Council develop a procedure for processing journal entries in the accounting records. The procedure should include a form that lists the reason for the entry, the accounts affected, adjusted balances, the person who prepared the entry, a supervisor approval and the person who recorded the entry and all supporting documentation related to the entry. In addition, we recommended for the Council to require each journal entry to be tracked in a log book, or register, indicating the date, the entry number, and the reason for the adjustment. Journal entries should be limited to adjusting account balances to the accrual basis of accounting which is done for financial statement preparation.

We also recommend for the Council to develop a formal financial statement closing process that contains a checklist prepared for all the areas where reconciliations and adjustments are necessary including a list of individuals who are responsible for each area and the deadlines for completion

#### Management's Response:

A procedure will be written for the processing of journal entries. A report can be produced at any time of all journal entries processed, therefore no log is needed. Every journal entry records the accounts affected, the balances adjusted and the name of the individual entering and posting the journal voucher.

#### **Finding 2012-8     Monthly Revenue and Expenditure Reports:**

##### Criteria:

A system of internal controls should include procedures to monitor financial information in order to identify errors or irregularities and make appropriate adjustments as considered necessary. The purpose of monitoring is to detect or prevent errors or irregularities so that material misstatements are not reported in the financial statements. Management informed us the accounting department's current procedures is to prepare monthly revenue and expenditure reports and forward these reports in advance to each department head and then discuss these reports in monthly managers meetings. These meetings serve to inform each department head of the expenditures accrued to date and the remaining budget.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Condition.

We noted that monthly meetings are held but the revenue and expenditure reports are delivered to each manager during the meeting and not in advance. We were informed these reports are not discussed at the monthly meetings. Instead, each department head is advised to contact the accounting department if there are any questions or changes. We noted the monthly meetings have an agenda but there are no minutes kept or a record that the actual revenue and expenditure reports were distributed to each of the department heads prior to the meeting.

#### Effect

Without the documentation that the revenue and expenditure reports were distributed prior to the actual monthly meetings and the minutes summarizing that these reports were discussed, there is no support that monitoring of the finances and budget by each department head has occurred. Failure to fully implement a monitoring procedure could result in a material misstatement being reported in the financial statements without being prevented or detected.

#### Recommendation.

We recommend that the monthly meeting held with the department heads be documented by having a sign-in sheet and a summary of discussions held at the meetings (minutes). Furthermore, we recommend that the monthly reports, including a budget to actual comparison by fund, be transmitted to the department heads prior to the meeting providing sufficient preparation time; this transmittal could be submitted via email, which would provide a document trail. As these reports and the results of the meetings are a direct result to the validity of the accounting data, it is imperative that these meetings occur on a regular basis. This will ensure that the financial statements presented to the Council Members reflect the most accurate and complete financial transactions for the period under review.

#### Management's Response

Management does not consider this a finding. Year to date revenue and expenditure reports are provided at the department head meetings twice a month. Department heads review the information and meet with the Director of Finance individually as needed. To discuss any issues at the department head meeting would not be possible as the accounting system is necessary to look up the information in question.

#### **Finding 2012-9      Errors with Capital Asset Schedules:**

#### Criteria:

Management is required to maintain an accurate listing of capital assets purchased that meet the capitalization criteria including the related depreciation calculation on each asset. This listing needs to be reconciled to the general ledger balance and all appropriate adjustments made prior to audit.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Condition:

During our current year audit of capital asset schedules, we noted several errors with the schedules as follows:

- The capital asset schedule we were provided included construction in progress of \$1,652,114 identified as the 21<sup>st</sup> Judicial (Church) Facility Project (also referred to as Judges Chambers). We determined through audit procedures that the amount was understated by \$64,908. The correct construction in progress balance should have been \$1,717,022. The understatement was due to management not recording accounts payable and retainage payable on the project. Adjustments were made in these financial statements to reflect the proper balances.
- We noted a signage project that was incomplete at December 31, 2011, included additional cost during 2012 of \$26,810. The actual additional cost incurred was \$18,130. Management included \$113,480 as building additions in the current year instead of the correct accumulated costs of \$104,800. Adjustments were made in these financial statements to reflect the proper balances.
- The capital asset schedule we were provided included construction in progress of \$191,224 identified as the Juban Road Widening. We reviewed the Parish Map and noted that Juban Road has a state highway designation. Therefore, since Juban Road belongs to the State of Louisiana, the cost incurred for this project that is being funded via a state grant should not be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.
- We noted the Council incurred cost on the Eden Church Road Project of \$2,811,454 that was not included on the construction in progress schedule provided by management. We reviewed the Parish Map and noted that Eden Church Road did not have a State or Federal Highway designation. Therefore, Eden Church Road belongs to the Parish and the cost incurred for this project that is being funded via a federal grant should be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.
- We noted the Council incurred cost on an Emergency Response Communication Tower of \$68,913 that was not included on the construction in progress schedule provided by management. The cost incurred for this project that is being funded via a federal grant should be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.
- We noted the Council incurred cost on the Spring Ranch / Satsuma Road Improvement Project of \$198,011 that was not included on the construction in progress schedule provided by management. The cost incurred for this project that is being funded via a federal grant should be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.
- We noted the Council incurred cost on engineering related to the replacement of seven Parish bridges that was not included on the construction in progress schedule provided by management. The cost incurred for this project of \$652,757 that is being funded via a federal grant should be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

- We noted the Council incurred cost on the Courthouse Energy Retrofit Project of \$395,035 that management did not include in the Council's fixed asset schedule. The cost incurred for this project of \$395,035 that was funded via a federal grant should be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.
- We noted the Council incurred cost on the Milton Lane and Gaylord Road Sidewalk Project of \$191,799 that was not included on the construction in progress schedule provided by management. We reviewed the Parish Map and noted that Milton Lane and Gaylord Road did not have a State or Federal Highway designation. Therefore, Milton Lane and Gaylord Road belongs to the Parish and the cost incurred for this project that is being funded via a federal grant should be capitalized and added as a fixed asset by the Parish. Adjustments were made in these financial statements to reflect the proper balances.

We noted overall a lack of proper identification and proper monitoring over the capital assets of the Council. In addition, reconciliations were not being performed as well as internal control processes over maintenance of these schedules were lacking.

The following schedule summarizes the net adjustments per the financial statement capital asset categories:

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Unadjusted Balance	Net Adjustments	Adjusted Balance
<b><u>Governmental Activities</u></b>			
Land	\$ 5,844,429	\$ -	\$ 5,844,429
Construction in Progress	3,619,964	3,796,597	7,416,561
Buildings	52,710,340	386,355	53,096,695
Recreational Facilities	3,758,232	-	3,758,232
Machinery and equipment	6,310,372	(20,105)	6,290,267
Sewer System	2,126,234	-	2,126,234
Infrastructure	143,108,015	-	143,108,015
Furniture and fixtures	250,660	-	250,660
Total Capital Assets Costs	217,728,246	4,162,847	221,891,093
Less Accumulated Depreciation	(79,954,438)	(448)	(79,954,886)
Total Governmental Activities Capital Assets, Net	<u>\$ 137,773,808</u>	<u>\$ 4,162,399</u>	<u>\$ 141,936,207</u>
<b><u>Business-Type Activities</u></b>			
Land	\$ 13,243	\$ -	\$ 13,243
Construction in Progress	223,862	-	223,862
Utility System	9,261,411	-	9,261,411
Total Capital Assets Costs	9,498,516	-	9,498,516
Less Accumulated Depreciation	(1,558,758)	-	(1,558,758)
Total Business-Type Activities Capital Assets, Net	<u>\$ 7,939,758</u>	<u>\$ -</u>	<u>\$ 7,939,758</u>

**Effect:**

Failing to accurately identify capital assets and include them on a capital asset listing for audit could result in the financial statements being completed with a material misstatement.

**Recommendation:**

We recommend the Council implement procedures to ensure that only assets over the capitalization policy are recorded as capital assets. In addition, we recommend the Council continuously monitor construction in progress to ensure that completed projects are added to the capital asset schedules. We also recommend that the Council consider acquiring a fixed asset software system that will enable management to track assets by unique asset tag, serial number, location, manufacturer, custodian, and items purchased with federal grant funds. The Council would then be able to reconcile the assets listed in the software system with those physically on hand. Monthly comparisons of capital expenditure guideline reports with recorded capital asset additions will help ensure all capital expenditures are entered into fixed

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

asset detail records The Council should evaluate its capital assets on a regular basis to determine when to dispose of an asset A cost analysis should then be prepared to compare the ongoing costs, including maintenance, with the revenue generated by the old equipment and the cost of acquiring new equipment An accurate listing of capital assets will allow the financial statements to be prepared materially correct.

Management's Response:

While this is reported as an issue with the Capital Asset Schedules, the information is directly tied to the grant administration and accounting Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration and accounting in 2013 Additional management oversight has been implemented to improve all areas of grant administration Certain unrecorded revenues and expenditures were not provided by outside parties prior to the current year closing and were unavailable to be recorded. Certain expenses were recorded in accordance with the prior year's grant expense classification, but were found to be in error by the current year's audit staff

**Finding 2012-10 Failure to Reconcile Capital Project Activities:**

Criteria.

Reconciliations of capital project activities is necessary to accumulate all costs related to a capital project so these costs can be capitalized as a capital asset as appropriate In addition, the reconciliation can identify if all costs related to capital projects have been properly accrued including year end liabilities.

Condition

During our current year audit procedures, we requested construction schedules for each of the capital project funds detailing out the agreed upon contract values and activity to date on each project. We were provided schedules on some of the capital projects but schedules were not provided on several other projects. The lack of management providing reconciliation schedules on all capital projects and errors that we noted on the schedules that were provided resulted in significant delays in completing our audit procedures. The necessary adjusting entries to correct the various project schedules at December 31, 2012 were proposed and recorded in these financial statements

Effect:

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

Recommendation.

We recommend the implementation of the necessary procedures to ensure all capital project activity is recorded and reconciled on a timely basis and that all expenses are recorded in the proper fund.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Management's Response.

While this is reported as an issue with the Capital Project Activities, the information is directly tied to the grant administration and accounting. Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration and accounting in 2013. Additional management oversight has been implemented to improve all areas of grant administration. Certain expenses were recorded in accordance with the prior year's grant expense classification, but were found to be in error by the current year's audit staff.

#### Finding 2012-11 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 to document a complete record of transactions.

##### Condition

During the testing of permits and licenses, we noted multiple issues, which include the following.

- Management was unable to reconcile the permit revenue collected to the general ledger balance
- There were gaps in the sequence of numbers assigned to EMP permits. Management explained that these breaks were due to deletions of duplicated permits; however, documentation of the duplicated permits was unable to be provided.
- The permits sold via the online system do not always update and synchronize into the main permit listing. Management could not explain why these permits are not being merged into the listing.

##### Effect

The lack of timely and accurate reconciliations resulted in lack of management's ability to properly monitor the financial condition of the Council's finances. Also, there is a likelihood that an error or omission may occur in the financial statements as a result of not reconciling the accounting records timely. Further, a listing of all transactions whether issued or voided is necessary to document the existence of all records and to provide an audit trail.

##### Recommendation:

We recommend that permit revenue be reconciled to the general ledger on a monthly basis, and any necessary adjustments be recorded in a timely manner. These procedures would assist in providing accurate and more meaningful financial statements. A benefit of monthly reconciliations is that errors do not accumulate, but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. In addition, the Council Members can be given more accurate financial reports to be used in the budgeting process.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

We further recommend that duplicate permits be voided and a copy of the permit be maintained for substantiation. Documentation of deleted or voided transactions should be maintained to keep an audit trail and substantiate the transactions.

**Management's Response**

Permit Department is exploring new software options that would be able to handle the permitting and reconciliation requirements

**Finding 2012-12    Utility Services Penalties for non-payment of Billings Not Being Collected:**

**Criteria:**

The Council's utility billing policy requires unpaid accounts to be assessed a 10% penalty monthly on the balance due. The 10% penalty is authorized in Article VI Section 17-297 of the Livingston Parish Code of Ordinances revised in Ordinance Number 09-24 on October 8, 2009. In addition, the loan agreement on the Water Revenue Bonds, Series 2007 requires a 10% penalty to be assessed on unpaid utility balances as a debt covenant condition.

**Condition.**

Utility customers are billed a 10% penalty for nonpayment of the previous accumulated unpaid billings. We noted several customers where the 10% penalty alone was significantly higher than the monthly charge for utility services due by these customers not paying for services. Management explained that these customers can not have their services terminated even though billings and associated penalties continue to accumulate. We noted the balance recorded in the Utility Fund for bad debts for the year ended December 31, 2012, was \$163,000, the approximate total of penalties billed during 2012 was \$80,300. It appears the penalties are getting billed but are not always being collected. In addition, the 10% penalty is a debt covenant condition for the Water Revenue Bonds, Series 2007 where the loan covenant requires a 10% penalty be collected on outstanding invoices. As evidenced by the bad debts recorded in the current year being much higher than the penalties charged, the Council is also not collecting a significant portion of the fees which are being billed on a monthly basis.

**Effect**

The Council is not able to collect all utility system invoices including the penalties assessed which results in funds not being available to fund the ongoing operations of the utility system

**Recommendation:**

We recommend the collection of the penalties billed on unpaid utility services or obtain legal advice as to what options are available for the Council to collect these charges. Accumulated outstanding balances for the customers' balances where services have been discontinued should continue to be removed from the aged receivable reports and recorded through the allowance for uncollectible accounts so that penalties do



## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

not continue to accrue on the outstanding balances. We also recommend that the 10% penalties billed be collected so the Council can continue to comply with the debt covenant requirements of the Water Revenue Bonds, Series 2007.

#### Management's Response

The operation and maintenance of the utility system has been turned over to French Settlement Water Company who will be responsible for the provision or termination of service provided and collection of amounts owed

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

##### Criteria:

Government Accounting Standards require the accounting for costs of issuance, premiums and discounts on bonds, and advances refunding on bonds to be handled in accordance with GASB 7 Advance Refunding Resulting in Defeasance of Debt and GASB 65 - Items Previously Reported as Assets and Liabilities.

##### Condition:

During our current year audit of the long term debt issued by the Council, we noted the bond proceeds, the bond issuance costs, and the premiums received on the debt issuance advanced refunded were not properly recorded for the bond issued during the current year. The proceeds were recorded net and did not properly reflect all of the bond issuance costs and premiums received on the debt. Audit adjustments amounting to \$141,021 were necessary to properly reflect the bond issuance for the Library Refunding Bonds, Series 2012. In addition, the amount refunded was not recorded as an expenditure as required by accounting standards. Instead, management erroneously recorded the amount of \$5,996,297 that should have been recorded as an expenditure as cash.

##### Effect

The Council did not properly account for the costs of issuance, premiums and discounts on bonds and for the advanced refunding on the bond in accordance with Government Accounting Standards.

##### Recommendation

The Council's accounting staff needs to obtain the proper training to ensure the bond transactions related to debt issuances are properly recorded. It is necessary for these transactions to be properly recorded to ensure the government-wide financial statements contain the correct balances.

#### Management's Response

Management will take this under advisement

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

**C. Findings - Compliance and Other Matters -**

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

Criteria.

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

Condition:

During the current year testing of the Parish Transportation Act funds, we requested a copy of the Council's 3 year prioritized project list. We were provided several different versions of the listing. Once we determined which version was the most recent, we noticed that the listing was not current. We noted during our review of the Council minutes, that the Council approved the listing for 2012 in accordance with the Parish Transportation Act at its meeting on December 8, 2011. At this meeting and the January 12, 2012 meeting, there were numerous amendments to the project list. However, the Council was unable to provide us with an updated list containing all such amendments. In addition, we were unable to determine if the Council was in compliance with the required priority ranking of the roads since we did not have a complete updated project list.

Effect:

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

Recommendation:

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

Management's Response:

Management will take this under advisement.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

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

**Criteria:**

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

**Condition:**

State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more. See Note 25 to the financial statements for a complete list of unfavorable budget variances that exceed the 5% variance required by state law

Also, two Parish funds had fund deficits at December 31, 2012

**Effect**

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

**Recommendation.**

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

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

**Management's Response:**

Management believes the budget violations were a direct result of audit related adjusting journal entries and this finding will correct itself as other findings are corrected.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

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

Criteria:

According to LSA R.S. 15.255H, all surplus funds in the Council's Criminal Court Witness Fund at the end of each calendar year shall be transmitted by the Council to the Criminal Court Fund of the Twenty-First Judicial District Court. The statute has a provision that the Council is allowed to exclude an amount up to the total amount paid as witness fees for off-duty law enforcement officers in that calendar year. The surplus monies which are required to be transferred shall be transferred no later than January thirty-first each year.

Condition:

The Council owed the Twenty-First Judicial District Court \$26,403 as of December 31, 2011 for such surplus monies. During our current year audit procedures, we noted this transfer was not made timely in accordance with the state statute. The transfer was made on July 19, 2012 which was significantly later than the January 31, 2012 requirement of the state statute.

Effect:

The Council did not comply with the requirements LSA R.S. 15 255H as the amount due to the Twenty-First Judicial District Court was not paid on time.

Recommendation:

We recommend the evaluation of the Criminal Court Witness Fee Fund on a regular basis and the transfer of any surplus monies at the end of each calendar year to the Twenty-First Judicial District Court in accordance with State law. This transfer should occur no later than January 31st of each year.

Management's Response:

Management has complied with this requirement for the 2012 year. The amount due to the Twenty-First Judicial District Court was calculated and the check remitted January 31, 2013.

**D. Findings - Federal Award Programs -**

**Finding 2012-17** **Grant Administration (All Grants):**

Criteria:

The Parish Council is required to have an understanding of and be accountable for all grant contracts to which the Council is awarded. As part of the grant process, the Parish Council should have a working knowledge of all grants and the applicable grant requirements, even if the Parish Council has hired an outside consultant to manage the grant. The Council should have the ability to understand each grant, note any items of questionable nature, and maintain appropriate grant documentation including adequately designed and implemented internal controls over compliance of the various grant program requirements.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Condition.

During the current year single audit testing, and in the prior year, we noted the Parish Council's designee was unable to provide answers to questions or provide sufficient appropriate documentation for multiple grants without requesting assistance from granting agencies or the outside consultant. Failing to maintain a complete file containing all of the required appropriate documentation to evidence compliance with grant requirements caused significant delays in completing required single audit testing procedures

#### Effect.

Without an updated completed file, management is not able to provide the necessary appropriate documentation evidencing the compliance requirements of the federal grants

#### Recommendation:

The Parish Council should evaluate if the present staff is able to perform the required duties in a timely manner and initiate hiring of additional employees, as deemed necessary. Additionally, the Parish Council should formally adopt policies and procedures that establish requirements for training for both employees and outside consultants. Finally, there should be monitoring procedures in place of the outside consultants. Each federal grant should have a checklist of all compliance requirements including an index listing the location in the file of the documentation and the person who reviewed and approved each step

#### Management's Response:

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration

#### **Finding 2012-18    Schedule of Expenditure of Federal Awards (SEFA):**

#### Criteria:

OMB Circular A-133 Section 310 requires the recipient of federal grants, or auditee, to prepare a schedule of federal awards that meets the criteria of the federal regulations. Management has the responsibility to prepare the SEFA that includes accurate information of all federal revenue that should be recorded on the same basis of accounting as the financial statements. The Council is required to record financial transactions using the accrual basis of accounting so the SEFA also needs to use the accrual basis of accounting. All federal awards should have an accurate identification of the Catalog of Federal Domestic Assistance (CFDA) number

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Condition.

For the 2012 audit, we were provided with a SEFA that was in error and required revisions prior to the completion of the 2012 audit. These revisions were caused by not identifying federal grant revenues, expenses or programs, accounting for the majority of the grant expenditures in one account or miscoding expenditures, not recording grant revenues and expenditures in the correct year, and recording grant revenues and expenditures on a cash basis instead of the required accrual basis of accounting. The original SEFA provided by management included a total of \$3,623,294 in federal award expenditures. The final SEFA after applying our audit procedures and adjustments has a total of \$5,386,803 in federal awards, or a difference of \$1,763,509. In addition, the SEFA that management provided for audit did not identify the correct CFDA number on several grants. In addition, management did not provide an accurate listing of grants received that were subsequently passed through to other entities. The errors on the SEFA resulted in significant delays for us to complete our single audit procedures.

#### Effect:

Providing a SEFA schedule for audit that is not accurate results in the single audit steps required to be completed to be delayed due to the extra time necessary to revise audit steps and programs due to the errors. In addition, management is not in compliance with the requirements of the Single Audit Act OMB Circular A-133 Section 310 by presenting a SEFA for audit that is not accurate.

#### Recommendation:

We recommend the implementation of the necessary procedures to monitor the SEFA throughout the year that would ensure the accuracy and completeness of the schedule with accounting transactions recorded using the accrual basis of accounting. We also recommend the review of the requirements of OMB Circular A-133 to ensure all requirements are being completed, as necessary. It is important for management to reconcile all federal revenues and expenditures using the accrual basis of accounting and include all qualifying expenditures of federal awards on the SEFA. In addition, management is required to identify the correct CFDA number on all federal grants and all subrecipients of grants.

#### Management's Response:

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Management reviewed the procedures in place for grant accounting and the responsible party for grant accounting has been changed. While the Finance department is responsible for grant accounting, certain information is provided by the grant administrator to the Finance department. Additional management oversight has been implemented to improve all areas of grant administration and accounting.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### **Finding 2012-19 Grant Policies and Procedures Related to Procurement (All Grants):**

##### Criteria:

The Parish Council is required to have internal control procedures over federal grant compliance in place to determine that vendors are not excluded, debarred or suspended on the federal System for Award Management (SAM) (previously named the Excluded Parties List System (EPLS)) prior to making purchases with federal grant funds

##### Condition

Our current and prior year single audit test of compliance and internal control over compliance required for us to determine if the Parish Council had procedures to make sure that purchases from vendors with federal grants were not excluded, debarred or suspended on the System for Award Management (SAM) According to management, the Parish Council reviews the website, but does not maintain documentation to verify that vendors were not excluded, debarred or suspended on SAM when making purchases with federal grants. Management was unable to provide documentation evidencing a vendor was checked in the SAM system prior to making a purchase with a federal grant We requested for management to provide us documentation showing the vendor was checked on one purchase and management provided us with the results from the SAM system on the date we requested the information instead of documentation of compliance prior to making the purchase

##### Effect:

Due to not having procedures in place to monitor, the Parish Council may purchase from a vendor that is excluded, debarred or suspended on SAM If this occurs the Parish Council would be in non-compliance with the federal grant

##### Recommendation

We again recommend that the Parish Council develop policies and procedures to determine that vendors are not excluded, debarred or suspended on the SAM website prior to making purchase with federal grants funds and keep the documentation evidencing this step was completed This documentation should be maintained in the grant files to ensure compliance with the grant This documentation will also assist the Parish Council in situations if a vendor were to be suspended or debarred subsequent to a purchase being made.

##### Management's Response:

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013 Additional management oversight has been implemented to improve all areas of grant administration

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

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

Criteria

The Parish Council is required to have internal controls procedures over federal grant compliance in place to determine if expenditures are activities allowed or unallowed or allowable costs/cost principle under the grant agreements.

Condition:

Our testing of compliance and internal controls over compliance required for us to determine if the Parish Council had procedures in place to ensure that a knowledgeable person(s) was reviewing the expenditures to determine if they were allowable under the grant agreements. According to our current year testing procedures, we noted that the Grant Manager is required to review all invoices for compliance. However, the documentation of this review was not noted on the invoices. Furthermore, we noted that policies and procedures in place were inconsistent with the authority to approve invoices for payment. The inconsistency in the approval authority resulted in multiple individuals approving invoices or invoices not being approved.

Effect.

Without proper internal control procedures over federal grant compliance that include proper review and approval of the purchases being made with federal grant awards, purchases could be charged to federal grants and later be identified as not being appropriate under the grant requirements.

Recommendation:

We again recommend that the Parish Council establish policies and procedures which structure a hierarchy for the review and approval of grant invoices. The individuals responsible for the review and approval of the invoices should be familiar with the grant requirements and have been provided adequate supporting documentation, including budgets.

Management's Response:

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration.



**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Finding 2012-21 Expenditures Recorded to Improper Accounts Type and Basis of Accounting Used (All Grants):**

**Criteria:**

Circular A-133 requires expenditure of grant awards to be accounted for on the same basis of accounting as the financial statements. The Parish Council accounts for expenditures in accordance with standards adopted by the Governmental Accounting Standards Board. Revenues and expenditures should be recorded in the proper accounts and appropriate fund based on the description of the account/fund to properly accumulate expenditures of the same type and financial statement presentation. In addition, accounting transactions should be recorded using the accrual basis of accounting.

**Condition:**

During current year audit testing, we noted the following instances where revenues or expenditures were not properly recorded in the accounting records:

- a. On the Council on Aging Grant Program (CFDA 20.509), we noted revenues and expenditures were not recorded in the original 2012 Schedule of Expenditures of Federal Awards provided to us by management (see current year finding 2012-18). In addition, it was also noted that the Council did not properly record the revenues and expenditures on the accrual basis of accounting resulting in unrecorded revenues and expenses. The total amount of these unrecorded revenues and expenditures equaled \$16,443 and \$31,272, respectively.
- b. On the Homeless Prevention and Rapid Re-Housing Program (CFDA 14.257), we noted that the Council did not properly record the revenues and expenditures on the accrual basis of accounting resulting in unrecorded revenues and expenses. The total amount of these unrecorded revenues and expenditures equaled \$19,413.
- c. On the Highway Planning and Construction Cluster - Eden Church Road Improvements Project (CFDA 20 205), we noted that the Council did not properly record the revenues on the accrual basis of accounting resulting in unrecorded revenues and expenses. The total amount of these unrecorded revenues equaled \$945,219. In addition, expenses in the amount of \$2,620,230 were recorded as Construction/Inspectors (528407) and not coded as a capital outlay (568000) as of December 31, 2012.
- d. On the Highway Planning and Construction Cluster – Safe Routes to School Program – South Walker Project (CFDA 20 205), we noted expenses in the amount of \$191,779 were recorded as Grant Expense (576000) and not coded as a Capital Outlay (568000) as of December 31, 2012.
- e. On the Public Assistance Grant – Hurricane Isaac (CFDA 97.036), we noted revenues and expenditures were not recorded in the original 2012 Schedule of Expenditures of Federal Awards provided to us by management (see current year finding 2012-18). In addition, it was also noted that

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

the Council did not properly record the revenues and expenditures on the accrual basis of accounting resulting in unrecorded revenues and expenses. The total amount of these unrecorded revenues and expenditures equaled \$584,146 and \$284,743, respectively

- f. On the Community Development Block Grant Cluster – Gustav/Ike Recovery Project (CFDA 14 228), we noted expenses in the amount of \$593,557 were recorded as Grant Expense (576000) and not coded as a Capital Outlay (568000) as of December 31, 2012

#### Effect:

Without proper policies and procedures and proper planning for the accounting related to grant revenue and expenditures, an accounting transaction could occur and not get recorded in the accounting records which would cause financial information to be reported in error.

#### Recommendation.

We again recommend that the Parish Council establish policies and procedures that implement a designated individual to code all grant invoices and related revenue reimbursement during the approval and review process. This coding procedure should be completed prior to the processing of the invoices by the Finance Department. We also recommend that the accrual basis of accounting be used throughout the year to record any accounts payable or accounts receivable and properly record the expense or revenue into the correct accounting period. Revenues should be recorded when earned and expenses are recorded when the obligation is incurred. This will ensure that the financial statements presented to the Council reflect the most accurate and complete financial transactions for the period.

#### Management's Response

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration. Certain unrecorded revenues and expenditures were not provided by outside parties prior to the current year closing and were unavailable to be recorded. Certain expenses were recorded in accordance with the prior year's grant expense classification, but were found to be in error by the current year's audit staff. Certain expenses were reclassified by the Finance department's staff prior to the audit and without the input of audit staff. As a result, we do not consider certain areas of this finding to be deficient

#### **Finding 2012-22 Council on Aging (CFDA 20.509) Lack of Monitoring of Sub-recipients:**

#### Criteria:

OMB Circular A-133 and the A-102 Common Rule require that a pass-through entity, in this case, the Council, is responsible for monitoring the activities of the sub-recipients as necessary to ensure that the Federal awards are used for authorized purposes in compliance with applicable laws and grant requirements. The Council on Aging is a sub-recipient of the grant that is received by the Council.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Condition:

In the current year and in the prior year, we noted the Council receives the grant reimbursement request from the Council on Aging and forwards this request to the State of Louisiana to request reimbursement under the federal grant. The Council receives the reimbursement check and prepares a check to disburse these funds to the Council on Aging. No other monitoring steps are taken on this grant. We believe that the process of receiving a check and paying a check is not sufficient to achieve the requirement to monitor the sub-recipient of this grant.

Effect:

Failure to properly monitor the activities of sub-recipients may result in federal awards being used for unauthorized purposes. In addition, the lack of proper monitoring will result in non-compliance OMB Circular A-133 and the A-102 Common Rule.

Recommendation:

We recommend the development of written policies and procedures regarding monitoring of sub-recipients. In addition, we recommend a review of the requirements of the Council on Aging Grant (CFDA 20.509) to make sure the proper sub-recipient monitoring is performed, as applicable to this specific grant. As the grant recipient, the Council should at a minimum require the Council on Aging to file its annual audited financial statement and review the schedule of findings and questioned costs to determine if there were any findings reported related to this grant.

Management's Response:

The Director of Finance does review and initial the documentation provided by the sub-recipient with regard to the request for reimbursement, prior to the submission to the State of Louisiana. As the documentation provides detail to demonstrate the amount requested for mileage reimbursement is valid, we feel that we have met the monitoring requirements and do not feel this is a deficiency.

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

Criteria:

Under the Hazard Mitigation Grant Program (HMGP) recipients are required to submit quarterly narrative reports, as required by 44 CFR 206.438(c). The Council as the recipient of this grant is required to submit the required reports.

Condition:

During the current and the prior year audits, we noted an outside consultant prepares and submits the required reports to the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). Management is only maintaining electronic copies of the quarterly reports and records of submissions. Management does not have documentation of the review and approval of the quarterly

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

narrative reports prepared by the outside consultant. As a result, we were unable to test the review and approval of the quarterly reports and subsequent monitoring of the outside consultant.

Effect

Failure to review and approve quarterly narrative reports which have been prepared by an outside consultant could result in erroneous information being reported to the funding agency.

Recommendation:

We recommended that the Parish Council establish and implement policies and procedures to track the due dates of all grant reporting periods to each agency. This "tracking system" should include a checklist that indicates that the reports have been filed, the dates filed, how the reports have been submitted, and by whom the reports were submitted. All reports should be maintained in hard copy, and documentation of review and approval should be evident.

Management's Response:

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration.

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

Criteria:

The Cash Management Improvement Act of 1990 was enacted to ensure efficiency, effectiveness, and equity in the transfer of funds between the grant recipient and Federal Governments. Grant recipients and Federal agencies must minimize the time between the transfer of federal funds and the presentment of the checks or settlement of electronic funds payments for program purposes.

Condition:

During the 2012 audit, we noted the Parish Council had recorded a receivable of \$381,010 from the funding agency for expenses incurred on the grant through December 31, 2012. The Council requested and received reimbursement for \$142,148 of this receivable subsequent to December 31, 2012. As of the date of our audit report, the Council has yet to request reimbursement for the remaining \$238,862 which had been previously expended on the grant.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Effect

The failure to submit timely reimbursement requests causes delays in receipt of grant funding. These delays result in the Council not being able to utilize cash flow which it is entitled to. In addition, there is a risk that the period of availability on the grant could pass and the Council could forfeit any funds which it has yet to request reimbursement.

#### Recommendation.

We recommend the Council implement policies and procedures to ensure that reimbursement requests are completed in a timely manner. These timely reimbursement requests will enable the Council to recover funds due to them and will provide opportunities to use these funds for additional projects or other purposes.

#### Management's Response.

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration.

#### **Finding 2012-25 Cash Management for Highway Planning and Construction Cluster – Eden Church Road Improvements (CFDA 20.509):**

#### Criteria.

The Cash Management Improvement Act of 1990 was enacted to ensure efficiency, effectiveness, and equity in the transfer of funds between the grant recipient and Federal Governments. Grant recipients and Federal agencies must minimize the time between the transfer of federal funds and the presentment of the checks or settlement of electronic funds payments for program purposes.

#### Condition:

During the 2012 audit period, we noted the Parish Council had expended \$2,195,552 on the Eden Church Road construction project through December 31, 2012. The Council has requested and received reimbursements amounting to \$922,700 from the funding agency. However, there is another \$945,219 of the current expenditures which is eligible for reimbursement from the funding agency. As of the date of our audit report, the Council has yet to request reimbursement for the \$945,219.

#### Effect:

The failure to submit timely reimbursement requests causes delays in receipt of grant funding. These delays result in the Council not being able to utilize cash flow which it is entitled to. In addition, there is a risk that the period of availability on the grant could pass and the Council could forfeit any funds which it has yet to request reimbursement.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Recommendation:

We recommend the Council implement policies and procedures to ensure that reimbursement requests are completed in a timely manner. These timely reimbursement requests will enable the Council to recover funds due to them and will provide opportunities to use these funds for additional projects or other purposes

Management's Response

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration

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

Questioned Costs.

Unknown

Due to lack of support for equipment usage hours such as an hour log, there is no way to determine if the Council's claim for public assistance deducted time for idle or standby time; therefore, the questioned cost is unknown, if any.

Criteria:

According to CFR 44 section 13 20 (b)(6) "*Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.*"

Condition:

During testing of supporting documentation for Force Account Equipment Records submitted for reimbursement in project worksheet (PW) 804, we noted the reimbursement was requested based on the estimated hours of usage of equipment. The Council maintained equipment activity logs on a daily basis. For each day, an itemized record was maintained denoting the piece of equipment used, what service provided and to whom, and operator, if applicable. A log was not maintained on the actual hours for beginning and ending of equipment usage. Instead, an estimate of the hours required for each service provided was recorded. Some examples of the estimated hours used were sand delivery at 2 hours and tree removal from 2 to 4 hours. The total hours was calculated based on the total number of services provided per day for the piece of equipment from the manual log multiplied by the number of estimated hours to arrive at the usage hours for the day

LIVINGSTON PARISH COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Effect

Due to lack of support for equipment actual usage hours such as an hour log, there is no way to determine if the Parish's claim is including time for idle or standby time. Some or all of the Council's reimbursement received for Force Account Equipment may be disallowed since idle and standby time was not accumulated and deducted from the total time requested for reimbursement.

Recommendation:

We recommend for the Council to determine if there is any liability due to FEMA related to idle or standby time that would be disallowed that may be included in PW 804. For future grants, we recommend that the Parish Council develop a system for tracking equipment activity that includes the date, the piece of equipment used, service provided and to whom service was provided, operator, and equipment actual usage hours by deducting idle or standby time.

Management's Response:

A review of current equipment log requirements will be conducted and corrective action will be implemented as deficiencies are discovered.

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

Questioned Costs.

\$102,707

Due to not having supporting documentation to indicate the Council met the 25% cost share requirement, we could not determine the amount of the questioned cost, if any. The maximum amount the Parish could be liable to the United States Department of Energy (DOE) would be \$102,707 (25% of \$410,826).

Criteria

According to the grant agreement with the DOE, the Council is required to contribute a 25% cost share to the overall project. The cost share can be accomplished through the purchase of equipment, supplies, labor, and/or donated labor (also referred to as in-kind-contribution).

Condition:

The feasibility study of methane gas recovery generated from the Livingston Parish landfill was funded by the grant and was completed in 2012. The Council requested the reimbursement on the grant and received payments from the DOE covering 100% of the cost of the study. The total cost reimbursed on the study was \$410,826. The Council's cost share requirement for the grant is \$102,707 or 25%. During testing of the 25% cost share requirement, we requested the supporting documentation to show that the Council met the matching contribution requirement. Management explained the match was not required.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

to be a cash match but could be a local benefit in-kind contribution. The Council's contribution could represent the value of the research and labor spent on the project, the cost of consultants not paid through the project funds, and the value of the Waste Management company (which operates the Parish's landfill site) providing access to, and data and information about the waste stream and waste volume processed at the subject site. Since the Council did not have readily available supporting documentation such as a schedule detailing the cost share support how the cost share requirement was met, we were not able to complete the testing to determine if the Council met the 25% cost share requirement.

**Effect:**

Since documentation supporting the 25% cost share requirement could not be provided, the Council may not be in compliance with the requirement of the grant and could be liable to reimburse the DOE for the amount of the required match that was not contributed.

**Recommendation:**

We recommend that the Parish determine if they have met the 25% cost share requirement to determine if they have any liability to the DOE for any amount not met. For future grants, the Parish should develop and maintain on a timely basis a system for tracking if they have met matching requirements on grants.

**Management's Response:**

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration. The Council intends to meet the 25% cost share requirement. As a result, we do not consider this is a deficiency. Plans to meet this requirement will be documented and included with the file.

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

**Criteria:**

The Parish Council is required to dedicate a minimum of twenty-six (26) percent of their grant 2010 Urban Area Security Initiative Grant funds towards law enforcement terrorism prevention-orientation planning, organization, training, exercising, and equipment activities.

**Condition**

As of December 31, 2012, the Parish Council has not allocated grant funding for the 2010 Urban Area Security Initiative Grant towards meeting this requirement. The Grant Manager is aware of this requirement and there are sufficient remaining funds on the grant balance to meet the requirement.



**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Effect:**

Without the appropriate monitoring procedure in place, the Council has the potential to conclude the spending under this grant without complying with the earmarking grant requirement

**Recommendation.**

We again recommend that the Parish Council determine an appropriate grant budget that will include an appropriate allocation of grant expenditures to accomplish the earmarking requirement. We further recommend a procedure should be established and implemented by the Parish to document and track the earmarking requirements and how it is accomplished

**Management's Response:**

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration. The Council intends on meeting the 26% allocation as required under this grant. As a result, we do not consider this is a deficiency. Plans to meet this requirement will be documented and included with the file.

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

**Criteria:**

According to the Amended Cooperative Endeavor Agreement between the Office of Community Development (OCD), the Louisiana Land Trust (LLT) and Livingston Parish, the Parish Council may keep the program income at the closing from sales of LLT properties. However, the Parish Council must submit required documentation to the Office of Community Development prior to expenditure for approval. Funds in excess of the amount necessary to administer the Program Income activities shall be returned to the Office of Community Development. The amount will be determined by the Office of Community Development and LLT on a semi-annual basis.

**Condition.**

As of December 31, 2012, the Parish Council has not submitted the required reports to the Louisiana Land Trust or Office of Community Development, therefore, amounts have not been determined to be in excess of the amounts necessary to administer the Program Income activities. As such, no funding has been refunded to the Office of Community Development nor has amounts been expended under this program. The Council has \$15,300 recorded as unearned revenue pending a resolution of this grant requirement

**Effect**

Lack of obtaining a complete understanding of the procedures required on this grant could result in not complying with all the grant requirements.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Recommendation:**

We again recommend that all required reports be filed with the Louisiana Land Trust and the Office of Community Development in a timely manner. If any funds are determined to be in excess of amounts necessary to administer Program Income activities, these funds are refunded/paid to the Office of Community Development immediately

**Management's Response**

Policies and procedures have been implemented to correct any deficiencies which exist in the grant administration in 2013. Additional management oversight has been implemented to improve all areas of grant administration

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

**Criteria:**

The Parish Council is required to comply with various special provisions to the Community Development Block Grants based on assurances provided within the cooperative endeavor agreements signed with the awarding agency. Within these agreements, the Parish Council provided an assurance to adopt and enforce a policy to prohibit the use of excessive force by law enforcement agencies

**Condition:**

During the current year audit, and in the prior year, the Parish Council had not adopted the required policies to prohibit the use of excessive force by law enforcement agencies in compliance with the agreement

**Effect:**

The Council has not complied with the special provisions requirements of this grant since a policy has not been adopted to prohibit the use of excessive force by law enforcement agencies.

**Recommendation:**

We recommend that the Parish Council adopt the above policy to ensure compliance with the Cooperative Endeavor Agreement. We further recommended that the Parish Council review the Cooperative Endeavor Agreement to ensure that all policies and requirements are complied within, as necessary.

**Management's Response:**

As the Council does not have any law enforcement agencies under its control, we consider the adoption of such a policy to be unreasonable and not relevant to our situation. As a result, we do not consider this a deficiency

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2012

(A) Findings - Internal Control Over Financial Reporting -

**Finding 2011-1**      **Overall Lack of Preparation of Financial Statements, Reconciliations, Review Thereof and Preparation for Audit:**

During the prior year audit, we noted an overall lack of preparation of timely reconciliations of the various accounts comprising the major accounting cycles of the Council's various funds including but not limited to cash, accounts receivable, accounts payable, accrued liabilities, interfund accounts, capital asset schedules, and recording transactions such as cash deposits and expenses in the correct funds, etc. The Council's Director of Finance and Accounting Staff, along with our firm's assistance, had to research numerous accounts and an excessive number of adjusting entries were necessary (including adjustments for very large amounts) to correct account balances.

In the prior year, we were originally informed that all reconciliations were being performed and that trial balances for each of the individual funds and audit schedules for the major accounts would be available prior to the start of our audit fieldwork. Upon beginning our prior audit, we determined this had not been done. We requested for the finance staff to update the schedules provided to us that contained errors. In many cases, we were provided documentation that still contained errors or was insufficient to show the accounts were reconciled. The overall condition of the accounting records including the lack of reconciliations and documentation that we requested for the audit caused significant delays and a significant amount of extra time for us to complete our audit procedures. Additional details on these matters are included in the following additional findings below.

**Recommendation:**

We recommended that formal reconciliations be done on all of the various accounts that comprise the major accounting cycles of the Council's various funds. These reconciliations should be done on at least a monthly basis. A formal reconciliation form should be developed for each account that should be completed and initialed by the preparer and then reviewed and initialed by the Director of Finance. Any outages or differences should be investigated and resolved accordingly. It is imperative that these reconciliations be done on a timely basis. By implementing these procedures, the overall accuracy and timeliness of financial reporting will be vastly improved and management would be provided with correct financial statements so finances of the Council could be better monitored during the year. In addition, we recommended that formal policies and procedures over the accounting cycles and year end accounting close be developed so that proper reconciliations are available for audit.

**Management's Response:**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2012

**Additional Recommendation:**

In the current year audit, we again noted accounts that were not properly reconciled and adjusted See current year finding 2012-01.

**Finding 2011-2**      **Bank Reconciliation and Cash Audit Adjustments**

In the prior year we noted that bank reconciliations and cash accounts were not properly reconciled to the general ledger on a timely basis. As a result, numerous adjustments were required to be recorded to the original trial balance presented at the beginning of the audit. During the prior year audit, we noted the following issues related to the bank reconciliation process:

- a. The Parish Council did not provide bank reconciliations for the Parish Courthouse Series 2011 Construction Fund and the Health Unit Reserve Accounts
- b. The CDGB Long Term Recovery account with Whitney Bank (formerly Hancock) was confirmed, but was not recorded in the general ledger Management provided documentation that the activity in this account was combined in the Whitney Consolidated Cash Reconciliation An audit adjustment was provided to record the activity and to setup the proper account in the general ledger
- c. The consolidated cash reconciliation included a listing of several suspense items recorded on the bank reconciliation that reduced the bank balance. These items were not recorded in the general ledger. One of these items was a \$94,512 receipt of a wire transfer received by the bank and included on the bank statement but not recorded in the general ledger cash account Instead, this balance was included as an accounts receivable balance in error at December 31, 2011 The other item was a reimbursement of expenditure in the amount of \$14,662 that was deposited into the bank, but was not recorded into the general ledger as an offset against the applicable expense
- d. The consolidated cash reconciliation originally provided at the beginning of the audit work contained a difference of \$981,069 between the reconciled balance and the unadjusted general ledger balance. We determined that this difference was the receipt of the December sales tax collection that was recorded in the general ledger but not properly reflected on the bank reconciliation
- e. The consolidated cash reconciliation has various checks that had been outstanding for long periods of time, in some instances for a period of more than three years. The total amount of outstanding checks amounted to \$27,419
- f. The Courthouse Construction Fund cash account had not been reconciled as of December 31, 2011 The Parish Council was unaware that one month of activity during the year was not recorded in the general ledger, requiring an adjusting entry to be recorded during the audit process in the amount of \$71,713

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

- g. The original trial balances provided to us for audit reflected negative cash balances in several of the funds in the consolidated cash account. This account is held in one bank and the bank reconciliation showed a net positive cash balance. Accounting principles do not allow a negative cash balance to be reported in any fund when the bank reconciliation has a positive net cash. Audit adjustments were necessary to record this right of offset with the difference reported as inter-fund loans.

During the prior year audit, numerous account adjustments were required to properly reconcile the cash accounts to the general ledger and schedules prepared by the Parish Council's staff. The net effect of all entries posted to cash and cash equivalents and restricted cash equaled an increase of \$76,440.

**Recommendation:**

We recommended that bank reconciliations be prepared for all cash accounts in the general ledger that contain balances. All cash accounts that contain activities during the year should have an account created in the accounting software and chart of accounts. We further recommended that a review process be established and implemented that is designed to identify significant and/or unusual items to ensure the accuracy of information. Additionally, we recommended the Parish Council discontinue the use of "suspense" items during the reconciliation process. We further recommended that the list of outstanding checks be reviewed regularly and that all checks not returned by the bank within a reasonable period of time be investigated. This will aid in the preparation of the bank reconciliations and will reflect an accurate cash balance in the financial statements. In addition, we further recommended that the Finance department review items that have been outstanding for long periods of time to determine which items will be required to be returned to unclaimed property as outlined in the escheat laws of the State.

**Management's Response:**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**Additional Recommendation**

Although items a, b, e and f above were not repeated again in the current year, we again noted accounts that were not properly reconciled and adjusted. See current year finding 2012-02.

**Finding 2011-3      Accounts Payable and Accounts Receivable Aging**

In the prior year, aging reports were not properly reconciled to the general ledger on a timely basis. As a result, numerous schedules and adjustments were provided throughout the prior year audit process to arrive at the final balances reported in the financial statements. During the prior year audit, it was noted during the internal control documentation and walkthrough process, the Parish Council staff indicated

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

that accounts payable and receivable aging reports were reconciled to the general ledger on a monthly basis; however, there was no support of this reconciliation process occurring. Furthermore, the final aging reports required multiple revisions. A minimum of four versions each were received for receivables and for payables which required additional adjustments by auditors to arrive at the final version for audited schedule presentation. These multiple revisions of audit schedules provided by management resulted in significant delays in completing our audit procedures and therefore these schedules were required to be audited multiple times.

#### Recommendation.

We recommended that accounts receivable and payable aging reports are generated on a monthly basis and are reconciled to the general ledger for each fund, and any necessary adjustments are recorded in a timely manner. We further recommended that all balance sheet accounts be reconciled monthly and that all adjustments be reviewed and recorded timely. Additionally, these monthly reconciliations should be reviewed to ensure that the reconciliations are performed timely, accurately, and all adjustments necessary are recorded promptly. The review of the monthly reconciliations should be documented including management approval and dates to indicate when the review and approval occurred. These procedures will assist in providing accurate and more meaningful financial statements. A benefit of monthly reconciliations is that errors do not accumulate, but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. In addition, the Council Members can be provided more accurate and timely financial reporting to be used in the budgeting process.

#### Management's Response:

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Additional Recommendation

In the current year audit, we were provided accounts payable and accounts receivable aging reports that were reconciled to the original trial balance provided by the Parish. However, multiple adjusting journal entries were required to record additional accounts payable and accounts receivable that were not recorded by the Parish. The aging reports were prepared during the year end closeout procedures. The Parish is not reconciling the aging reports on a monthly basis. See current year finding 2012-03.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Finding 2011-4      Inventory**

In completing the prior year auditing procedures on inventory, we noted several discrepancies related to the inventory cycle:

- a. We noted several clerical errors in the Road Fund Inventory spreadsheet due to formulas not being used or inaccurate calculations.
- b. For the inventory on the Jail Fund, an adjustment was necessary to record the balance of the medical supplies at December 31, 2011; however, this inventory had not been previously recorded. The adjustment recorded by the Council to the current year inventory balance reduced the expense at December 31, 2011, not taking into account the balances that would have been in place at December 31, 2010. This practice does not comply with the consistency theory of accounting. The necessary adjustments were recorded to reflect the balances that were to be recorded as of December 31, 2011 for each fund.
- c. We also noted, during the inventory price testing, that the quantity of selected inventory items increased while the Parish Council indicated that no purchases were made of the items during the year. We further noted that the Parish Council used a quoted market price rather than the purchase price. This differentiation causes the inventory value to fluctuate on a year to year basis while the quantity of items doesn't change.

**Recommendation:**

Perpetual inventory records are maintained through use of spreadsheets. This spreadsheet is then used for the month-end physical inventory count. We recommended that the perpetual inventory be incorporated in an inventory module of an integrated accounting software system. By tracking inventory through the accounting system the Council will improve the efficiency of the physical inventory process. Additionally, redundant processing will not be necessary to maintain purchase information. We further recommended that periodic inventory reconciliations are computed and compared to the general ledger and the inventory records in order to test the accuracy of the system. This would assist in providing accurate and more meaningful financial statements. A benefit of monthly reconciliations is that errors do not accumulate, but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. In addition, the Council Members can be given more accurate financial reporting to be used in the budgeting process.

**Management's Response:**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Additional Recommendation.**

In the current year audit, we again noted instances of items a, b, and c being repeated again. In addition, the public works inventory listing we were provided was not reconciled to the general ledger. See current year finding 2012-4.

**Finding 2011-5      Expenditure Approval and Coding**

During the prior year audit procedures on expenditures, it was determined that the Parish Council's approval process for the cash disbursement process did not contain sufficient appropriate evidence of a review of invoices prior to payment or indication of the general ledger account that the invoice needs to be recorded along with the budget coding. We also noted the following exceptions to the test of transactions:

- a. There were two disbursements paid where the Parish Council did not have sufficient supporting documentation and could not provide an explanation as to the nature of the expenses.
- b. There was a payment made where the support required an approved timesheet. The supporting documentation contained the timesheet but did not have the required supervisory approval prior to payment.
- c. There were eight items which related to the prior year (2010) that were improperly recorded during the current period (2011) These items should have been recorded as accounts payable at December 31, 2010 For six of these items, the Parish Council matched related revenue with the expenditure; therefore, no adjustment was made as a net effect of zero would have been made to fund balance as of December 31, 2010. Two items were not grant related expenditures and therefore did not have matching revenues. These items should have been recorded as accounts payable in the prior year and a prior period adjustment in the amount of \$58,708 was recorded in these financial statements.
- d. One item for construction in progress was recorded in the incorrect function and did not have the proper retainage payable recorded as of December 31, 2011. This resulted in an understatement of capital outlay expenditures of \$86,670 and an understatement of accounts payable at December 31, 2011 in the amount of \$8,680. Adjustments were made in these financial statements to reflect the proper balances.
- e. Nine of the transactions selected for testing were recorded in the incorrect funds. These transactions were originally recorded by the Parish Council to the correct fund (001 - General Fund), but an adjustment was recorded by management to move these transactions to fund (260 - Other Capital Outlay Fund) in error Adjustments were later provided to us to correct the amounts to the original fund based on the result of the audit procedures These transactions were also noted as exceptions as the revenues and expenditures were recorded in separate funds, prior to the audit procedures. Total adjustments were required in the amount of \$469,710 in revenues and expenditures, (\$149,037 in accounts payable, \$243,549 in accounts receivable, and \$94,512 in cash) See Finding 2011-27 Expenditures Recorded to Improper Accounts or Funds (All Grants).



## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

- f. We noted five transactions where the Parish Council improperly recorded capital asset items. Four of these items were recorded as grant expenditures and not capitalized during the financial statement close-out process. We also noted that some of the transactions on the capital asset schedule were not properly adjusted to a capital asset account. In addition, we noted one transaction that was incorrectly recorded to construction in progress instead of capital asset equipment.
- g. We noted that there were two grant expenses that were improperly capitalized as they were not property of the Parish Council. The reimbursements were paid to other local government agencies. We also noted that the entire contract of one of the items was for an incomplete project and was included in the listing of depreciable capital assets, instead of being recorded as Construction in Progress at December 31, 2011. See Finding 2011-27 Expenditures Recorded to Improper Accounts or Funds (All Grants).
- h. We noted that thirteen grant transactions were inconsistently recorded. In some instances, these expenses were being recorded to "Grant Expense" (576000); but, in other cases, these expenses are being recorded to other accounts, such as Professional Services (528000) or "Training" (541405), based on the type of work performed. See Finding 2011-27 Expenditures Recorded to Improper Accounts or Funds (All Grants).
- i. We noted that eight transactions were recorded to expense accounts that were inconsistent with the descriptions matching the general nature of the expenditures.
- j. In testing completeness of expenditures, we performed a test of the check sequences noting that there were twenty-one instances where the Parish Council wrote checks during 2011 and dated the check to a period prior to December 31, 2010. This initially caused an understatement of cash at December 31, 2010 and an understatement of accounts payable. At December 31, 2010, an audit adjustment was recorded to properly reflect the back dated checks as accounts payable and to gross up cash.

#### Recommendation.

Management does not approve purchases prior to being made, and there are no set dollar thresholds above which additional approval is required prior to the purchase and disbursement. We recommended that the Council approve a policy of using a rubber stamp which provides spaces for such approvals or checks. Employees responsible for making such approvals or checks should be instructed to insert their initials in the spaces provided and also record the general ledger account number and budget information on the invoice. We recommended that account numbers become part of the description on the computerized check stubs. This improvement will serve as an additional safeguard that the payment is charged to the correct account when the payment is being reviewed and approved. We also noted that a review of the expenditure's compliance with budgeted expenditures was not being completed prior to the checks being issued and signed. We recommended that during the review of expenditures for payment, a procedure be established and implemented to ensure that expenditures are within the budget.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Management's Response:

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Additional Recommendation:

In the current year audit, we again noted there was no consistency in the application of the Council's approval process for cash disbursements. In addition, we noted numerous exceptions while performing our current year test of transactions. See current year finding 2012-5.

#### Finding 2011-6      Segregation of Duties

Internal controls are designed to safeguard assets and to help to deter losses from employee dishonesty or error. A fundamental concept in a good system of internal controls is the segregation of duties. During the prior year audit, we noted several areas where there is a lack of segregation of duties relating to making deposits, recording of receipts, reconciliation of bank accounts, recording of adjusting journal entries, transferring of funds, and modifying of master records. In addition, one employee has the ability to initiate cash disbursements, post disbursement journals, and maintains blank check stock. Further, our review of the Council's payroll system showed that the person responsible for preparing the payroll also uploads the direct deposit information to the bank for transfer, transfers the funds from the consolidated cash account to the payroll cash account and has the access to modify master personnel files. It was also noted that the upload to the bank and the transfer of funds from the consolidated cash account to the payroll account were performed prior to the review of the payroll reports by management. The basic premise is that no one employee has access to all phases of a transaction.

#### Recommendation

The following discusses several recommendations that could be implemented to improve existing internal controls:

- Bank statements, cancelled checks, and appropriate advices should be received unopened by someone other than employees maintaining cash records, such as the Director of Finance or the Parish President. These items should be reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- The individual responsible for recording cash receipts should not have the authority to make bank transfers or should not be making the cash deposits. These processes should be evaluated and re-assigned as necessary based upon other changes made to internal controls.
- The same employee should not be able to initiate checks, print checks, maintain check stock, record adjusting entries to cash, make transfers and modify vendor records. These processes should be evaluated and re-assigned as necessary based upon other changes made to internal controls.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

- A review process should be implemented for all cash journal entries recorded during the reconciliation and investigation processes.
- The transfer of funds from the consolidated cash account to the payroll account should be handled by an employee outside of the payroll/personnel area. We further recommend that the upload of the payroll for direct deposit does not occur until after the review of the payroll reports by management.
- As part of the transition to the new Director of Finance, we recommend that the accounting duties be reviewed, evaluated and re-assigned as considered necessary to maintain an adequate segregation of duties. We also recommend that the finance committee remain actively involved in the financial reporting and budgeting processes.

#### Management's Response

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Additional Recommendation

In the current year audit, we again noted areas where a lack of segregation of duties exists. See current year finding 2012-6.

#### Finding 2011-7      Unrecorded Payables

During the prior year search for unrecorded liabilities, we noted several instances of unrecorded liabilities as of December 31, 2011, which included.

- a. A Cooperative Endeavor Agreement between the Parish and the Livingston Parish Sheriff's Office for Pre-Trial Detainee Monitoring. This agreement was effective July 2010 and states that payments of \$5,000 are due monthly. As of December 31, 2011, the Parish had not paid \$60,000 for the period July 1, 2010 to June 30, 2011. In addition, the Parish had not paid \$30,000 for the period July 1, 2011 to December 31, 2011. Therefore, there should be \$90,000 in payables for this agreement, but only \$60,000 was recorded at December 31, 2011.
- b. Amounts due to the Livingston Parish Sheriffs' Office for prisoner overtime. The Parish Council received a bill in April of 2012 which included officer time for the period of September 2010 through December 2011 totaling \$97,990.

#### Recommendation:

We recommended that the accrual basis of accounting be consistently implemented. Under that basis, revenues and the related assets are recorded when earned and expenses are recorded when the obligation is incurred. The accrual basis is required by generally accepted accounting principles since it results in financial statements that reflect the complete effects of an entity's financial transactions for a period.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Management's Response:

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Additional Recommendation

In the current year audit, we again noted instances of unrecorded payables as a result of our audit procedures. See current year finding 2012-3.

#### Finding 2011-8      Monthly Revenue and Expenditure Reports

Per the internal control documentation and discussions with management, monthly revenue and expenditure reports, including budget to actual, are provided to Department Heads. These reports are reviewed and discussions are held to determine current spending levels and remaining budget balances. These meetings are not documented and there is not a record of the reports being transmitted to the Department Heads prior to the meeting occurring.

#### Recommendation:

We recommended that the monthly meeting held with the department heads be documented by having a sign-in sheet and an agenda. Furthermore, we recommended that the monthly reports, including a budget to actual comparison by fund, be transmitted to the department heads prior to the meeting providing sufficient preparation time, this transmittal could be submitted via email, which would provide a document trail. As these reports and the results of the meetings are a direct result to the validity of the accounting data, it is imperative that these meetings occur on a regular basis. This will ensure that the financial statements presented to the Council Members reflect the most accurate and complete financial transactions for the period under review.

#### Management's Response

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Additional Recommendation:

In the current year audit, we noted an agenda was being maintained for the meetings. However, it was noted that the financial reports are not given in advance of the meeting, nor are they discussed during the meeting. See current year finding 2012-8

#### Finding 2011-9      Errors with Capital Asset Schedules:

During our prior year audit of capital asset schedules, we noted several errors with the schedules as follows:

- The capital asset schedule we were provided included construction in progress of \$1,974,564 identified as the Sewer District #2 Project. We determined through audit procedures that \$1,302,450 of the project was placed in service at various times during 2011 and should be included on the depreciation schedule. We provided management with the adjustments to correct this error.
- The capital asset schedule we were provided included construction in progress of \$3,624,486 identified as the Live Oak Recreational Facilities. The balance had not changed since December 31, 2010. We noted from our audit procedures that an additional \$133,746 should have been added to the project during the current year. In addition, the project was completed in March 2011 and should have been added to the capital asset schedule. We provided management with the adjustments to correct this error.
- We noted the purchase of two vehicles totaling \$60,830 had been recorded in construction in progress for the Sewer District #2 project. The necessary adjustments were provided to management to reclassify the vehicles to the proper category.
- The capital asset schedule we were provided included construction in progress of accumulated costs of the Courthouse capital project of \$186,470. During our audit procedures, we noted net errors amounting to \$52,180 which had to be corrected to adjust the total project cost to \$238,650 at December 31, 2011. We provided management with adjustments to correct this error.
- The capital asset schedule for construction in progress included costs for two sidewalk projects totaling \$52,350 that were not capital assets of the Council. Therefore, the projects should have been expensed and not added to the Council's fixed asset schedule. We provided management with adjustments to correct this error.
- The capital asset schedule for construction in progress did not include the \$301,574 purchase of the OEP mobile command trailer that had been delivered prior to December 31, 2011 but not placed in service. We provided management with adjustments to correct this error.
- While the Parish Council has a capitalization policy of \$5,000 per individual asset, we noted during our auditing procedures that the capitalization policy was inconsistently applied to expenditures during the prior year. The Parish incorrectly added numerous assets to its capital asset schedule which were below the capitalization policy. We provided management with the appropriate adjustments to remove \$223,500 of purchases that were below its policy.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

- We noted that many of the capital asset acquisitions in the prior year were not properly recorded in the capital outlay expense accounts. While reviewing the general ledger accounts, we noted that the Council recorded the capital assets in either maintenance expense, grant expense, or supplies expense. The capital outlay expense is required to be presented separately for financial statement purposes.
- We noted capital assets purchased with federal funds were not properly indicated on the capital outlay listing as equipment purchased with federal grant funds. The federal grants require capital assets purchased with grant funds to be tracked by the Council.

We noted overall a lack of monitoring over the capital assets of the Council. In addition, reconciliations were not being performed as well as internal control processes over maintenance of these schedules were lacking.

The following schedule summarizes the net adjustments per the financial statement capital asset categories:

	<u>Unadjusted Balance</u>	<u>Net Adjustments</u>	<u>Adjusted Balance</u>
<b><u>Governmental Activities</u></b>			
Land	\$ 5,844,429	\$ -	\$ 5,844,429
Construction in Progress	7,227,551	(4,893,658)	2,333,893
Buildings	52,594,353	2,507	52,596,860
Recreational Facilities	-	3,758,232	3,758,232
Machinery and equipment	6,205,029	(209,016)	5,996,013
Sewer System	-	1,302,450	1,302,450
Infrastructure	143,108,015	-	143,108,015
Furniture and fixtures	328,650	(77,990)	250,660
Total Capital Assets Costs	<u>215,308,027</u>	<u>(117,475)</u>	<u>215,190,552</u>
Less Accumulated Depreciation	<u>(69,007,191)</u>	<u>(47,370)</u>	<u>(69,054,561)</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 146,300,836</u>	<u>\$ (164,845)</u>	<u>\$ 146,135,991</u>
<b><u>Business-Type Activities</u></b>			
Land	\$ 13,243	\$ -	\$ 13,243
Construction in Progress	32,697	122,432	155,129
Utility System	9,071,634	189,777	9,261,411
Total Capital Assets Costs	<u>9,117,574</u>	<u>312,209</u>	<u>9,429,783</u>
Less Accumulated Depreciation	<u>(1,009,156)</u>	<u>(271,594)</u>	<u>(1,280,750)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 8,108,418</u>	<u>\$ 40,615</u>	<u>\$ 8,149,033</u>

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Recommendation:

We recommended the Council implement procedures to ensure that only assets over the capitalization policy are recorded as capital assets. In addition, we recommended the Council continuously monitor construction in progress to ensure that completed projects are added when completed to the capital asset schedules. We also recommended that the Council consider acquiring a fixed asset software system that will enable management to track assets by unique asset tag, serial number, location, manufacturer, custodian, and items purchased with federal grant funds. The Council would then be able to reconcile the assets listed in the software system with those physically on hand. Monthly comparisons of capital expenditure guideline reports with recorded fixed asset additions will help ensure all capital expenditures are entered into fixed asset detail records. The Council should evaluate its fixed assets regularly, perhaps semiannually, to determine when to dispose of an asset. A cost analysis should then be prepared to compare the ongoing costs, including maintenance, with the revenue generated by the old equipment and the cost of acquiring new equipment.

#### Management's Response.

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Additional Recommendation:

In the current year audit, we again noted significant errors with the capital asset schedules. See current year finding 2012-9.

#### **Finding 2011-10**      **Failure to Reconcile Capital Project Fund Activities:**

During our prior year audit procedures, we requested construction schedules for each of the capital project funds detailing out the agreed upon contract values and activity to date on each project. We noted numerous errors on the reconciliations we were provided. The numerous revisions that were necessary resulted in significant delays and a significant amount of extra time for us to complete our audit procedures. The necessary adjusting entries to correct the various project schedules at December 31, 2011 were proposed and recorded in these financial statements.

#### Recommendation:

We recommended the implementation of the necessary procedures to ensure all capital project activity is recorded and reconciled on a timely basis and that all expenses are recorded on the proper fund.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Management's Response

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Additional Recommendation:

In the current year audit, the Council provided reconciliations for several of the capital improvement projects which were being accounted for in the capital projects funds. However, several errors were noted on the reconciliations during our audit procedures. In addition, it was also noted that other capital improvement projects existed that were being accounted for in the general fund or special revenue funds and no reconciliations were being maintained. See current year finding 2012-10.

#### Finding 2011-11      Permits and Licenses

During the testing of permits and licenses, we noted multiple issues, which included the following:

- Management was unable to reconcile the permit revenue collected to the general ledger balance.
- There were gaps in the sequence of numbers assigned to EMP permits. Management explained that these breaks were due to deletions of duplicated permits; however, documentation of the duplicated permits was unable to be provided.
- The fee charged for a special boring permit did not agree to the listed fee schedule. Management indicated an arrangement was made with a particular permit applicant to charge a discounted fee - \$25 per permit instead of the \$250 per permit on the fee schedule; however, a contract or other documentation could not be provided to indicate an approval by the Parish Council of this arrangement.
- The documentation for three licenses was unable to be located for testing. Management indicated that the storage containers for these applicable months were misplaced in storage.

#### Recommendation

We recommended that permit revenue be reconciled to the general ledger on a monthly basis, and any necessary adjustments are recorded in a timely manner. These procedures would assist in providing accurate and more meaningful financial statements. A benefit of monthly reconciliations is that errors do not accumulate, but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. In addition, the Council Members can be given more accurate financial reporting to be used in the budgeting process.



**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

We further recommended that duplicate permits be voided and a copy of the permit be maintained for substantiation. Documentation of deleted or voided transactions should be maintained to keep an audit trail and substantiate the transactions. We further recommended that all customers pay according to the ordinances established by Parish Council or that special agreement documentation be maintained.

**Management's Response.**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012

**Additional Recommendation:**

In the current year audit, we noted that the fees charged for the items selected for testing agreed to the Council's approved fee schedule. In addition, the Council was able to provide documentation for all licenses selected for testing in the current year. However, the current year reconciliation of permit revenue we were provided differed from the general ledger by \$12,700. We also noted again in the current year that there were gaps in the sequence of numbers assigned to the EMP permits. See current year finding 2012-11.

**Finding 2011-12      Utility Fund Revenue Bond Reserve**

According to the bond loan documentation, the Parish Council is required to have a sufficient amount of funds available to pay promptly and fully the principle and interest on the Utility Fund Revenue Bonds, as they come due and payable. As such, the bond requires a monthly payment of \$11,265 due to a sinking fund. In addition, the bond loan documentation required a reserve fund and a contingency fund cash accounts be established. During the prior year financial statement close out process, this monthly payment amount, reserve fund and contingency fund was removed as restricted cash accounts. Audit adjustments were required to calculate and accrue the appropriate balance of \$51,873 to comply with the bond covenant.

**Recommendation:**

We recommended that the Parish Council complete all required transfers in accordance with the bond covenant requirements. We further recommended that the Parish Council complete all necessary transactions to comply with all bond covenants.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Management's Response.**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**Corrective Action Taken:**

In the current year audit, it was noted that the Council completed all of the required monthly transfers required by the bond agreement. In addition, it was noted that the Council had properly calculated and recorded the restricted cash at December 31, 2012 in accordance with the bond agreement.

**Finding 2011-13      Errors with Sinking Fund Payments**

According to the bond loan documentation, the Parish Council is required to have a sufficient amount of funds available to pay promptly and fully the principle and interest on the bonds as they come due and payable. As such, the bonds require monthly payments into the sinking fund. During the prior year audit, we noted the following errors related to the sinking fund payments.

- Each month the Jail Sales Tax Special Revenue Fund transfers the required amount into the sinking fund. During the month of September, this monthly payment amount was paid twice. As a result, a negative cash balance existed on the original trial balance we were provided. An audit adjustment was required to reverse the negative cash balance of \$167,344 on the Jail Fund.
- Each month the Road Special Revenue Fund transfers the required amount into the sinking fund. We noted the Council is not reconciling the actual transfers in the trustee statement on a regular basis. As a result, a negative cash balance existed on the original trial balance we were provided. An audit adjustment was required to reverse the negative cash balance of \$64,500 on the Jail Fund.
- Each month the General Fund transfers the required amount into the sinking fund. We noted the Council is not reconciling the actual transfers in the trustee statement on a regular basis. As a result, a negative cash balance existed on the original trial balance we were provided. An audit adjustment was required to reverse the negative cash balance of \$104,535 on the Jail Fund.

In each of the instances noted above, the Council adjusted the transfers received into the various sinking funds to the budgeted amount. However, the actual transfers that occurred were not equal to the budgeted amount. The lack of monthly reconciliations caused this to go unnoticed by the Council's accounting staff.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Recommendation.

We recommended the Council implement procedures to ensure that all transfers into the various sinking funds received from the various funds are properly recorded. In addition, we recommended the Council implement procedures to ensure that duplicate sinking fund payments do not occur. We also recommended that the interfund transfers be recorded based on actual transfer amounts. These amounts should not be adjusted to reflect the budgeted amounts. This will eliminate future negative cash balances on the debt service funds. The activity on the various trustee statements should be reconciled on a monthly basis. We further recommend that the Parish Council complete all necessary transactions to comply with all bond covenants.

#### Management's Response

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Corrective Action Taken.

In the current year audit, it was noted that the Council properly recorded all of the required sinking fund payments.

#### **Finding 2011-14      Utility Billings Not Being Recorded in Proper Revenue Accounts in the Accounting System:**

During the prior year audit, it was noted that billings, including associated penalties for nonpayment, to utility customers for water and sewer services were recorded in one general ledger account instead of the various accounts in accounting system based on the billing revenue type. The Council uses a separate utility billing system that is not integrated with its accounting system. A schedule to reconcile the billings of this separate billing system to the accounting system's general ledger was not available. We provided management with adjustments to record and re-categorize the revenue to the various types based on billing totals from the utility billing software. This was required so that the proper revenue by category could be reported on the financial statements.

#### Recommendation.

We recommended the recording of the actual billings of utility services in the general ledger when the billings are mailed. We also recommended the reconciliation of the actual billings from the utility billing system to the accounting system be performed monthly.

## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Management's Response:

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

#### Corrective Action Taken:

In the current year audit, it was noted that the Council recorded the utility billings into the proper revenue accounts in the accounting system.

#### **Finding 2011-15      Utility Services Penalties for non-payment of Billings Not Being Collected:**

Utility customers are billed a 10% penalty for nonpayment of the previous accumulated unpaid billings. During the prior year audit, we noted several customers where the 10% penalty alone was significantly higher than the monthly charge for utility services due by these customers not paying for services. Management explained that these customers can not have their services terminated even though billings and associated penalties continue to accumulate. We noted the balance recorded in the Utility Fund for bad debts for the year ended December 31, 2011, was \$164,000 after audit adjustments, the approximate total of penalties billed during 2011 was \$80,500. It appears the penalties are getting billed but are not always being collected. In addition, the 10% penalty is a debt covenant condition for the Water Revenue Bonds, Series 2007 where the loan covenant requires a 10% penalty be collected on outstanding invoices. As evidenced by the bad debts recorded in the current year being much higher than the penalties charged, the Council is not collecting a significant portion of the fees which are being billed on a monthly basis. This finding was previously reported in the December 31, 2010 audit report at item 2010-2.

#### Recommendation

We recommended the collection of the penalties billed on unpaid utility services or obtain legal advice as to what options are available for the Council to collect these charges. Accumulated outstanding balances for the customers' balances where services have been discontinued should continue to be removed from the aged receivable reports and recorded through the allowance for uncollectible accounts so that penalties do not continue to accrue on the outstanding balances. We also recommended that the 10% penalties billed be collected so the Council can continue to comply with the debt covenant requirements of the Water Revenue Bonds, Series 2007.

#### Management's Response:

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Additional Recommendation

In the current year audit, we again noted penalties for non-payment of utility service billings were not being collected. See current year finding 2012-12

**Finding 2011-16**      **Utility Fund Capital Asset Purchases Recorded as Expenses:**

In the prior year, we noted that capital asset purchases of the Utility Enterprise Fund were recorded as expenses. Since the Utility Enterprise Fund is a Business-Type activity, the purchase of capital assets should be recorded as an asset. Audit adjustments totaling \$289,700 were necessary to move capital asset costs from expenses to capital assets in the Utility Fund

Recommendation:

We recommended that all accounting associated with Utility projects be recorded in the Utility Enterprise fund instead of creating a governmental capital outlay fund

Management's Response:

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

Corrective Action Taken:

In the current year audit, it was noted that all Utility Fund capital asset purchases were properly recorded in the appropriate asset account in the general ledger.

**Finding 2011-17**      **Depreciation Expense Not Recorded on the Utility Enterprise Fund:**

During the prior year audit, we noted that depreciation expense on capital assets in the Utility Enterprise Fund was not recorded as an expense on the trial balance provided to us to begin the audit. The adjustment required resulted in an increase in expenses of \$271,600 with an offsetting decrease in capital assets (through accumulated depreciation) of the same amount.

Recommendation:

We recommended the adoption of procedures for recording depreciation expense in a Utility Enterprise Fund and the adoption of procedures to record depreciation expense monthly based on a projection of the expense for the year.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Management's Response:**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**Corrective Action Taken:**

During the current year audit, we noted that depreciation expense was properly recorded in the Utility Enterprise Fund.

**Finding 2011-18      Costs of Issuance, Premiums and Discounts on Bonds:**

During our prior year audit of the long term debt issued by the Council, we noted the bond proceeds, the bond issuance costs, and the premiums received on debt issuance were not properly recorded for the two bonds issued during that year. The proceeds were recorded net and did not properly reflect all of the bond issuance costs and premiums received on the debt. Audit adjustments amounting to \$347,284 and \$7,886 were necessary to properly reflect the bond issuance for the Courthouse Project Revenue Bonds, Series 2011 and the Health Unit Refunding Bonds, Series 2011, respectively.

**Recommendation:**

The Council's accounting staff needs to obtain the proper training to ensure the bond transactions related to debt issuances are properly recorded. It is necessary for these transactions to be properly recorded to ensure the government-wide financial statements contain the correct balances.

**Management's Response**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**Additional Recommendation:**

In the current year audit, we again noted that the bond proceeds, the bond issuance costs, and the premium received on debt issuance were not properly recorded for the refunding bonds issued during the current year. See current year finding 2012-13.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Finding 2011-19      Disaster Public Assistance Grant**

According to LPR No 11-274, on August 25, 2011, the Parish Council approved a motion to terminate the contract with C-Del, Inc and suspend all work with this contractor immediately. The invoice dated December 8, 2011 totaling \$379,518 submitted to the Parish Council by C-Del, Inc included dates through September 24, 2011. Due to the structure of the invoice, we were unable to segregate the amount of the bill that was for the period of time from August 26, 2011 through September 24, 2011, which would have been deemed to have been completed after the motion of the Council

**Recommendation**

We recommended that the Parish Council review this billing and if possible obtain a breakdown of the charges to determine the amounts that are for the time period August 26, 2011, through September 24, 2011.

**Management's Response.**

The Parish considered the finding listed above to encompass the one issue of a lack of reconciliation and preparation for the audit. With the addition of an experienced Finance Director in June of 2012, the Parish began revising their current accounting procedures, implementing any additional procedures needed and preparing reconciliations for each accounting area. The Parish is vigorously pursuing the matters listed above and management is committed to resolving this issue in 2012.

**Corrective Action Taken.**

In the current year, the Council reviewed the billing from C-Del and this matter has been turned over to their legal counsel for further resolution. As of the date of our report, resolution of this matter is still pending.

**(B) Findings - Compliance and Other Matters -**

**Finding 2011-20      Fiscal Agent Agreement**

According to LA RS 39.1211, The Parish Council is required to bid for a fiscal agent agreement as it has a population over one hundred thousand. In the prior year, it was noted that the Parish Council was operating month to month under the previous fiscal agent agreement, which expired in June 2010.

**Recommendation**

We recommended that the Parish Council comply with LA RS 39.1211 and bid out the fiscal agent agreement.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Management's Response:**

The Council agreed with this recommendation and will ensure that all future fiscal agent agreements are bid out in accordance with state law.

**Corrective Action Taken:**

In the current year audit, we noted the Council bid out the fiscal agent agreement and management selected a fiscal agent effective October 2012. It was also noted in the minutes that the Parish's legal counsel agreed that management has the authority to enter into the fiscal agent agreement.

**Finding 2011-21      Failure to Amend Budget (LSA-R.S. 39:1310):**

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 prior year Note 24 to the financial statements for a complete list of unfavorable budget variances that exceed the 5% variance required by state law.

Also, two Parish funds had fund deficits at December 31, 2011

**Recommendation**

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

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

**Management's Response:**

The Parish agreed with the recommendation and is currently monitoring actual costs and will amend the budget if necessary.

**Additional Recommendation.**

In the current year audit, we again noted unfavorable budget variances that exceed the 5% variance required by state law. These variances are detailed out in Note 25 to the financial statements. See current year finding 2012-15.



LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

**Finding 2011-22**      **Criminal Court Fund and Compliance with LSA R.S. 15:571:**

According to LSA R.S. 15.571.11A(1)(a), Criminal Court Fund monies can only be used upon a motion by the district attorney and approval of the district judge to defray the expenses of the criminal court of the Council as provided in Ch C. Articles 419 and 421 and LSA R.S. 16:6, defray the expenses of those courts in recording and transcribing of testimony, statements, charges, and other proceedings in the trial of indigent persons charged with the commission of felonies, defray their expenses in the preparation of records in appeals in such cases, for all expenses and fees of the petit jury and grand jury, for witness fees, for attendance fees of the sheriff and clerk of court, for costs and expenses of a parish law library, and for other expenses related to the judges of the criminal courts and the office of the district attorney. During our prior year audit procedures, we noted \$23,790 of payroll and related expenses recorded in the Criminal Court Fund that were in excess of the amounts approved by the court order. We provided management with the adjustments to remove these expenses from the Criminal Court Fund.

**Recommendation:**

We recommended the implementation of the necessary procedures to ensure funds of the Criminal Court Fund are only used in accordance with State law.

**Management's Response:**

The Council agreed with this recommendation and is implementing the necessary procedures to resolve the issue.

**Corrective Action Taken:**

In the current year audit, we noted of the expenditures we tested the Council used the criminal court funds in accordance with LSA R S 15:571

**Finding 2011-23**      **Criminal Court Witness Fund and Compliance with LSA R.S. 15:255H:**

According to LSA R.S 15:255H, all surplus monies in the Council's Criminal Court Witness Fund at the end of each calendar year shall be transmitted by the Council to the Criminal Court Fund of the Twenty-First Judicial District Court. The statute has a provision that the Council is allowed to exclude an amount up to the total amount paid as witness fees for off-duty law enforcement officers in that calendar year. The surplus monies which are required to be transferred shall be transferred no later than January thirty-first each year. The Council owed the Twenty-First Judicial District Court \$61,658 as of December 31, 2010 for such surplus monies. During our prior year audit procedures, we noted this transfer was not made timely in accordance with the state statute. The transfer was made on April 29, 2011 which was significantly later than the January 31, 2011 requirement of the state statute.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Recommendation.

We recommended the evaluation of the Criminal Court Witness Fee Fund on a regular basis and the transfer of any surplus monies at the end of each calendar year to the Twenty-First Judicial District Court in accordance with State law. This transfer should occur no later than January 31st of each year

Management's Response.

The Council agreed with this recommendation and is implementing the necessary procedures to resolve the finding.

Additional Recommendation:

In the current year audit, we noted the payment of the December 31, 2011 surplus monies was not made prior to the January 31, 2012 deadline required by LSA R.S. 15:255H. See current year finding 2012-16.

**(C) Findings - Federal Award Programs -**

**Finding 2011-24      Grant Administration (All Grants)**

The Parish Council is required to have an understanding of and be accountable for all grant contracts to which the Council is awarded. As part of the grant process, the Parish Council should have a working knowledge of all grants and the applicable grant requirements, even if the Parish Council has hired an outside consultant to manage the grant. The Council should have the ability to understand each grant, note any items of questionable nature, and maintain appropriate grant documentation including adequately designed and implemented internal controls over compliance of the various grant programs. In many instances, during the prior year single audit testing, the Parish Council's designee was unable to provide answers to questions or documentation for multiple grants without requesting assistance from granting agencies or outside consultant

Recommendation:

The Parish Council should evaluate if the present staff is able to perform the required duties in a timely manner and initiate hiring of additional employees, as deemed necessary. Additionally, the Parish Council should formally adopt policies and procedures that establish requirements for training for both employees and outside consultants. Finally, there should be monitoring procedures in place of the outside consultants.

Management's Response:

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Additional Recommendation:**

In the current year audit, we again noted certain grant administration issues See current year finding 2012-17

**Finding 2011-25 Grant Policies and Procedures Related to Procurement (All Grants):**

The Parish Council is required to have internal controls in place to determine that vendors are not listed on the Excluded Parties List System (EPLS) prior to making purchases with federal grant funds. Our prior year test of compliance and internal control over compliance required for us to determine if the Parish Council had procedures to make sure that purchases from vendors with federal grants were not on the Excluded Parties List System (EPLS). According to management, the Parish Council reviews the website, but does not maintain documentation to verify that vendors were not listed on EPLS when making purchases with federal grants Due to not having procedures in place to monitor, the Parish Council may purchase from a vendor that is listed on the EPLS. If this occurs the Parish Council would be in non-compliance with the federal grant

**Recommendation**

We recommended that the Parish Council develop policies and procedures to determine that vendors are not listed on the EPLS website prior to making purchase with federal grants funds. This documentation should be maintained in the grant files to ensure compliance with the grant This documentation will also assist the Parish Council in situations if a vendor were to be suspended or debarred subsequent to a purchase being made.

**Management's Response:**

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue

**Additional Recommendation.**

In the current year audit, we again noted instances in which the Council could not provide adequate documentation of compliance with the grant procurement requirement. See current year finding 2012-19

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

**Finding 2011-26**      **Grant Policies and Procedures Related to Approval of Expenditures (All Grants):**

The Parish Council is required to have internal controls in place to determine if expenditures are activities allowed or unallowed or allowable costs/cost principle under the grant agreements. Our testing of compliance and internal controls over compliance required for us to determine if the Parish Council had procedures in place to ensure that a knowledgeable person(s) was reviewing the expenditures to determine if they were allowable under the grant agreements. According to our prior year testing procedures, we noted that the Grant Manager is required to review all invoices for compliance. However, the documentation of this review was not noted on the invoices. Furthermore, we noted that policies and procedures in place were inconsistent with the authority to approve invoices for payment. The inconsistency in the approval authority resulted in multiple individuals approving invoices or invoices not being approved.

**Recommendation:**

We recommended that the Parish Council establish policies and procedures which structure a hierarchy for the review and approval of grant invoices. The individuals responsible for the review and approval of the invoices should be familiar with the grant requirements and have been provided adequate supporting documentation, include budgets.

**Management's Response**

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue.

**Additional Recommendation:**

In the current year audit, we again noted inconsistencies in the Council's approval process during our expense testing. See current year finding 2012-20.

**Finding 2011-27**      **Expenditures Recorded to Improper Accounts or Funds (All Grants):**

Expenditures should be recorded in the proper accounts and appropriate fund based on the description of the account/fund to properly accumulate expenditures of the same type and financial statement presentation. During our prior year audit testing, we noted numerous instances where expenditures were not properly recorded in the account or fund, which includes:

- a Amounts for the Coastal Impact Assistance Program Hydrologic Restoration Grant were originally recorded on Fund 001; however, management reclassified these expenditures during close out to Fund 260 (where they were budgeted). As these expenditures were subsequently determined not to be capital outlay, these amounts were reclassified again back to Fund 001, as originally coded

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

- b Amounts for the Hazard Mitigation Grants are inconsistently coded between the Professional Services account (582000) and the Grant Expenses (576000) in Fund 118
- c Amounts for the Homeland Security Grant purchase of the Mobile Command Unit was recorded as grant expenditures and not coded as a capital outlay as of December 31, 2011
- d Amounts for the Community Development Block Grant Cluster were inconsistently coded between the Professional Services account (582000) and the Grant Expenses (576000) in Fund 001. Additionally, we noted expenditures totaling \$98,867 which were coded to Fund 101, while the matching revenues were coded to Fund 001. An adjusting journal entry was required during the audit process to reclassify the expenditures to correspond with the grant revenues

**Recommendation**

We recommended that the Parish Council establish policies and procedures that implement a designated individual to code all grant invoices during the approval and review process. This coding procedure should be completed prior to the processing of the invoices by the Finance Department

**Management's Response:**

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue

**Additional Recommendation.**

In the current year audit, we again noted expenditures recorded to improper accounts or funds during our expense testing. See current year finding 2012-21

**Finding 2011-28      Schedule of Federal Awards:**

OMB Circular A-133 Section 310 requires the recipient of federal grants, or auditee, to prepare a schedule of federal awards that meets the criteria of the federal regulations. For the 2011 audit, we were provided with a schedule of federal awards that was in error and required several revisions prior to the completion of the 2011 audit. These various versions were caused by not identifying federal grant revenues, expenses or programs, accounting for the majority of the grant expenditures in one account or miscoding expenditures, not recording grant revenues and expenditures in the correct year, and recording grant revenues and expenditures on a cash basis instead of the required accrual basis of accounting

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Recommendation:**

We recommended the implementation of the necessary procedures to monitor the schedule of expenditures of federal awards throughout the year that would ensure the accuracy and completeness of the schedule. We also recommended the review of the requirements of OMB Circular A-133 to ensure all requirements are being completed, as necessary.

**Management's Response.**

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue.

**Additional Recommendation:**

In the current year audit, revisions were necessary to correct the schedule of federal awards provided to us by management. See current year finding 2012-18.

**Finding 2011-29      Basis of Accounting for Grants (All Grants):**

The Schedule of Federal awards is required to be prepared on the same basis of accounting as the financial report. During our prior year testing of allowable cost/cost principle and activities allowed and unallowed, we noted several instances in which the basis of accounting differed from the financial reporting basis, which include the following:

- a On the Coastal Impact Assistance Program Cluster, we noted revenues and expenditures recorded in the 2011 Schedule of Expenditures of Federal Awards that covered salaries, postage and advertising for a time period of 2010 through 2011. The total amount of these revenues and expenditures equaled \$4,337.
- b On the Hazard Mitigation Grant Program, we noted one item selected for testing was for services provided during the calendar year 2010. The item was not recorded as a payable in the prior year due to the timing of the receipt of the invoice. The total amount of the invoice was \$49,677.

**Recommendation:**

We recommended that the accrual basis of accounting be used throughout the year to record any accounts payable and properly record the expense into the correct accounting period. Revenues should be recorded when earned and expenses are recorded when the obligation is incurred. This will ensure that the financial statements presented to the board reflect the most accurate and complete financial transactions for the period.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Management's Response:

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue.

Additional Recommendation:

In the current year audit, we again noted that adjusting journal entries were necessary to adjust the schedule of federal awards to accrual basis. See current year finding 2012-21.

**Finding 2011-30      Council on Aging (CFDA 20.509) Revenues and Expenditures not Reconciled and Lack of Monitoring of Sub-recipients:**

OMB Circular A-133 and the A-102 Common Rule require that a pass-through entity, in this case, the Council, is responsible for monitoring the activities of the sub-recipients as necessary to ensure that the Federal awards are used for authorized purposes in compliance with applicable laws and grant requirements. We believe that the process of receiving a check and paying a check is not sufficient to achieve the requirement to monitor the sub-recipient of this grant.

Additionally, during the 2011 audit procedures of the Council on Aging Grant in the General Fund, we noted the total revenues and expenditures recorded were overstated by \$19,626.

Recommendation:

We recommended the development of written policies and procedures regarding monitoring of sub-recipients. In addition, we recommended a review of the requirements of the Council on Aging Grant (CFDA 20.509) to make sure the proper sub-recipient monitoring is performed, as applicable to this specific grant. We further recommended the establishment of a policy with regard to the handling of grant awards and the reconciliation process required for full reimbursement grants. The reconciliation of this full reimbursement grant needs to include a match of total revenues with total expenditures.

Management's Response:

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue.

Additional Recommendation:

In the current year audit, we again noted the revenues and expenditures of the Council on Aging Grant in the General Fund were not properly reconciled. In addition, management was unable to provide documentation of proper sub-recipient monitoring as required by the grant. See current year finding 2012-22.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

**Finding 2011-31**      **Reporting Compliance for Coastal Impact Assistance Program (CFDA 15.426)**

Coastal Impact Assistance Program (CIAP) recipients are required to submit performance reports, as required by 43 CFR 12.80. Semi-annual reports are due thirty (30) days after the reporting period. The final performance report will be due within ninety (90) days after the expiration or termination of the grant. Due to the lack of controls in place to properly track the due dates and types of reporting required, no reports were filed for the two CIAP grants during the 2011 audit year. As a result, we were unable to test the compliance requirements under the grants for reporting.

Recommendation:

We recommended that the Parish Council establish and implement policies and procedures to track the due dates of all grant reporting periods to each agency. This "tracking system" should include a checklist that indicates that the reports have been filed, the dates filed, how the reports have been submitted, and by whom the reports were submitted. All reports should be maintained in hard copy, as well as in electronic format.

Management's Response

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue.

Corrective Action Taken:

In the current year audit, management provided correspondence from the funding agency stating the required reporting documents were received in compliance with the grant requirements.

**Finding 2011-32**      **Reporting Compliance for Hazard Mitigation Grant Program (CFDA 97.039)**

Hazard Mitigation Grant Program (HMGP) recipients are required to submit quarterly narrative reports, as required by 44 CFR 206.438(c). The Parish Council maintains electronic copies of the quarterly reports and records of submissions to the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). Therefore, the Parish Council does not have documentation of the review and approval of the quarterly narrative reports prepared by the outside consultant. As a result, we were unable to test the review and approval of the quarterly reports and subsequent monitoring of the outside consultant. Furthermore, we were also unable to test the timely submission of one of the four quarterly reports selected for testing.



## LIVINGSTON PARISH COUNCIL

### SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

#### Recommendation

We recommended that the Parish Council establish and implement policies and procedures to track the due dates of all grant reporting periods to each agency. This "tracking system" should include a checklist that indicates that the reports have been filed, the dates filed, how the reports have been submitted, and by whom the reports were submitted. All reports should be maintained in hard copy, and documentation of review and approval should be evident.

#### Management's Response

The Parish considers the finding listed above to encompass the one issue of a lack of proper grant policies and procedures. With the addition of the new Finance Director, collaboration with our grant consultant and additional education of our grant administrator, the Parish is committed to resolving this issue.

#### Additional Recommendation

In the current year audit, management provided e-mails from their outside consultant who prepared and submitted the required reports to the funding agency. However, management was unable to provide evidence that they reviewed the reports prepared by the outside consultant prior to submission. See current year finding 2012-23.

#### **Finding 2011-33      Cash Management for Hazard Mitigation Grant Program (CFDA 97.039)**

The Cash Management Improvement Act of 1990 was enacted to ensure efficiency, effectiveness, and equity in the transfer of funds between the grant recipient and Federal Governments. Grant recipients and Federal agencies must minimize the time between the transfer of federal funds and the presentment of the checks or settlement of electronic funds payments for program purposes. During the 2011 audit period, the Parish Council expended \$311,547 in funds for which the request for reimbursements had not been completed through mid-May 2012. A request for reimbursement was completed on May 22, 2012 for \$132,798 of these funds.

#### Recommendation:

We recommended that the request for reimbursements be consistent with the basis of accounting used to prepare the financials. However, if this method is not chosen, we recommended, that the Parish be consistent with the method of accounting for request of reimbursement used for all other grants, the cash basis of accounting. The request for reimbursements should be aligned with the realistic cash needs of the government.

#### Management's Response:

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Additional Recommendation:

In the current year audit, we again noted issues with cash management on this grant. See current year finding 2012-24.

**Finding 2011-34**      **Earmarking of Homeland Security Grant Program Cluster (97.067)**

The Parish Council is required to dedicate a minimum of twenty-six (26) percent of their grant 2010 Urban Area Security Initiative Grant funds towards law enforcement terrorism prevention-orientation planning, organization, training, exercising, and equipment activities. As of December 31, 2011, the Parish Council has not allocated grant funding for the 2010 Urban Area Security Initiative Grant towards meeting this requirement. The Grant Manager is aware of this requirement and there are sufficient remaining funds on the grant balance to meet the requirement.

Recommendation.

We recommended that the Parish Council determine an appropriate grant budget that will include an appropriate allocation of grant expenditures to accomplish the earmarking requirement. We further recommended a procedure should be established and implemented by the Parish to document and track the earmarking requirements and how it is accomplished.

Management's Response

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue.

Additional Recommendation:

In the current year audit, we again noted the Council had not complied with the earmarking requirements of the grant. See current year finding 2012-28.

**Finding 2011-35**      **Reporting for Community Development Block Grant Cluster- Road Home Grant (CFDA 14.228)**

According to the Amended Cooperative Endeavor Agreement between the Office of Community Development (OCD), the Louisiana Land Trust (LLT) and Livingston Parish, the Parish Council is required to track on a per parcel basis the revenues, accounts receivable, expenses and accounts payable related to the sale of the LLT properties. Periodic Reports of the tracking is required to be submitted not less than quarterly by the Parish Council to LLT. Due to the lack of controls in place to properly track the due dates and types of reporting required, no reports were filed for the Road Home Grant. As a result, we were unable to test the compliance requirements under the grants for reporting.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Recommendation:

We recommended that the Parish Council establish and implement policies and procedures to track the due dates of all grant reporting periods to each agency. This "tracking system" should include a checklist that indicates that the reports have been filed, the dates filed, how the reports have been submitted, and by whom the reports were submitted. All reports should be maintained in hard copy, as well as in electronic format.

Management's Response:

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue

Corrective Action Taken:

In the current year audit, management followed-up with the funding agency and was able to provide documentation that no further reporting was required to be submitted during 2012.

**Finding 2011-36      Program Income for Community Development Block Grant Cluster-Road Home Grant (CFDA 14.228)**

According to the Amended Cooperative Endeavor Agreement between the Office of Community Development (OCD), the Louisiana Land Trust (LLT) and Livingston Parish, the Parish Council may keep the program income at the closing from sales of LLT properties. However, the Parish Council must submit required documentation to the Office of Community Development prior to expenditure for approval. Funds in excess of the amount necessary to administer the Program Income activities shall be returned to the Office of Community Development. The amount will be determined by the Office of Community Development and LLT on a semi-annual basis. As of December 31, 2011, the Parish Council has not submitted the required reports to the Louisiana Land Trust or Office of Community Development; therefore, amounts have not been determined to be in excess of the amounts necessary to administer the Program Income activities. As such, no funding has been refunded to the Office of Community Development nor has amounts been expended under this program. An audit adjustment was required to defer revenue and restrict revenue and fund balance in the amount of \$15,300

Recommendation:

We recommended that all required reports be filed with the Louisiana Land Trust and the Office of Community Development in a timely manner. If any funds are determined to be in excess of amounts necessary to administer Program Income activities, these funds are refunded/paid to the Office of Community Development immediately.

**LIVINGSTON PARISH COUNCIL**

**SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Management's Response:**

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue

**Corrective Action Taken.**

In the current year audit, management followed-up with the funding agency and was able to provide documentation that no further reporting was required to be submitted during 2012. It was also determined that none of the above mentioned funds were determined to be in excess of amounts necessary to administer program income activities.

**Finding 2011-37      Special Provisions for Community Development Block Grant Cluster (CFDA 14.228)**

The Parish Council is required to comply with various special provisions to the Community Development Block Grants based on assurances provided within the cooperative endeavor agreements signed with the awarding agency. Within these agreements, the Parish Council provided an assurance to adopt and enforce a policy to prohibit the use of excessive force by law enforcement agencies. As of the date of the prior year report, the Parish Council had not adopted policies to prohibit the use of excessive force by law enforcement agencies in compliance with the agreement.

**Recommendation:**

We recommended that the Parish Council adopt the above policy to ensure compliance with the Cooperative Endeavor Agreement. We further recommended that the Parish Council review the Cooperative Endeavor Agreement to ensure that all policies and requirements are complied with, as necessary.

**Management's Response.**

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue.

**Additional Recommendation**

In the current year audit, management was unable to provide documentation of compliance with the special provisions compliance requirement of the grant. See current year finding 2012-30.

LIVINGSTON PARISH COUNCIL

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

**Finding 2011-38**      **Disaster Public Assistance Grant**

The Schedule of Federal Revenues provided by management in the prior year did not contain the current period expenditures or revenues related to the Disaster Public Assistance Grant. During the prior year, FEMA re-obligated funds that were previously denied and reimbursed a portion of these funds (\$199,331). In addition, FEMA made a payment on funds that were not previously recorded as accounts payable (\$25,930). Both of these items were recorded as federal revenue in the current year, but were excluded from the grant schedule provided. An adjusting entry was required to gross up the re-obligated funds for an overpayment of \$67,811 in the prior year.

**Recommendation.**

We recommended the implementation of the necessary procedures to monitor the schedule of expenditures of federal awards throughout the year that would ensure the accuracy and completeness of the schedule.

**Management's Response:**

The Parish agrees with the recommendation and is implementing policies and procedures to resolve this issue.

**Additional Recommendation.**

In the current year audit, we again noted current period expenditures and revenues related to the disaster public assistance grant that were not recorded by the Council. See current year finding 2012-21.