

Livingston Parish Sheriff

Annual Financial Statements

As of and for the Year Then Ended June 30, 2014
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

**Livingston Parish Sheriff
Livingston, Louisiana**

**Annual Financial Statements
As of and for the Year Ended June 30, 2014
With Supplemental Information Schedules**

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**Livingston Parish Sheriff
Livingston, Louisiana**

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Independent Auditor's Report

To the Honorable Jason Ard
Livingston Parish Sheriff
Ex-Officio Parish Tax Collector
Livingston Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Livingston Parish Sheriff as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

Livingston Parish Sheriff
Independent Auditor's Report
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Livingston Parish Sheriff as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8–15 and 58-59 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 an opinion on the financial statements that comprise the Sheriff's basic financial statements. Other information, including the *Tax Collector Account Affidavit*, is presented for the purpose of additional analysis and per legislative requirement, and is not a required part of the basic financial statements. This other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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Livingston Parish Sheriff
Independent Auditor's Report
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014, on our consideration of the Sheriff'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 17, 2014

Required Supplemental Information (Part I)
Management's Discussion and Analysis

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Introduction

As management of the Livingston Parish Sheriff, Livingston, Louisiana, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2014. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Livingston Parish Sheriff's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Sheriff's finances. It is also intended to provide readers with an analysis of the Sheriff's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Sheriff. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Livingston Parish Sheriff's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- The Sheriff's government wide assets exceeded its liabilities by \$12,713,465 (net position, previously reported as net assets). Of this amount, \$8,437,758 (unrestricted) may be used to meet the Sheriff's ongoing obligations to the Parish. An amount of \$4,275,707 is invested in capital assets, net of related debt.
- For the year ended June 30, 2014, the Sheriff's total government wide net position increased by \$972,197.
- At June 30, 2014, the Sheriff's governmental fund reported an ending fund balance of \$7,695,631, a decrease of \$(110,580) for the year. This total amount is available for spending at the Sheriff's discretion (unreserved fund balance).

Overview of the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the Livingston Parish Sheriff's financial statements. The Livingston Parish Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Government-Wide Financial Statements

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

The *statement of net position (formerly reported as statement of net assets)* presents information on all of the Livingston Parish Sheriff's assets and liabilities using the accrual basis of accounting. The difference between the assets and the liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Livingston Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 17 - 18 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 Livingston Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Sheriff can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effects of the government's near-term financing decisions. 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*.

The Livingston Parish Sheriff maintains one individual governmental fund. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The Livingston Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Livingston Parish Sheriff's own programs. The Sheriff reports its Post-Retirement Benefits Trust Fund as a fiduciary fund, and has three agency funds, including the Sheriff's Fund, Tax Collector Fund, and Inmate Deposit Fund.

The basic fiduciary fund financial statements can be found on pages 25 - 27 of this report.

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 can be found on pages 29 - 55 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This can be found on page 58 and 59 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 Sheriff's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 17 of this report.

Net Position 2014 and 2013

	Governmental Activities	
	2014	2013
Assets:		
Current and Other Assets	\$ 9,727,190	\$ 9,833,802
Capital Assets	4,275,707	3,509,506
Total Assets	<u>14,002,897</u>	<u>13,343,308</u>
Liabilities:		
Long-Term Debt Outstanding	-	262,035
Other Liabilities	1,289,432	1,340,005
Total Liabilities	<u>1,289,432</u>	<u>1,602,040</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,275,707	3,509,506
Unrestricted	8,437,758	8,231,762
Total Net Position	<u>\$ 12,713,465</u>	<u>\$ 11,741,268</u>

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

One of the largest portions of the Livingston Parish Sheriff's net position (34 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Livingston Parish Sheriff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Livingston Parish Sheriff's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Livingston Parish Sheriff is able to report positive balances in both categories of net position, government as a whole and separate governmental activities. The same situation held true for the prior fiscal year. The remaining balance of *unrestricted net position* (66 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

The Sheriff's activities increased its total net position by \$972,197 during the current fiscal year.

In order to further understand what makes up the changes in net position, the table on the following page provides a summary of the results of the Sheriff's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 18 of this report.

Livingston Parish Sheriff

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2014**

Changes in Net Position

For the years ended June 30, 2014 and 2013

	Governmental Activities		Variance	
	2014	2013	Amount	Percentage
Revenues:				
Program Revenues:				
Charges for Services	\$ 4,280,736	\$ 4,407,161	\$ (126,425)	-3%
Operating Grants and Contributions	247,364	507,261	(259,897)	-51%
Capital Grants and Contributions	67,282	192,713	(125,431)	-65%
General Revenues:				
Property Taxes	10,027,243	9,677,080	350,163	4%
Sales Taxes	7,293,461	6,955,844	337,617	5%
Intergovernmental	2,812,591	2,914,683	(102,092)	-4%
Interest Income	25,666	64,436	(38,770)	-60%
Miscellaneous	1,653,478	1,196,225	457,253	38%
Gain (Loss) on Sale of Assets	(16,843)	(52,967)	36,124	68%
Total Revenues	<u>26,390,978</u>	<u>25,862,436</u>	<u>528,542</u>	2%
Expenses:				
Public Safety	25,418,781	23,806,102	1,612,679	7%
Total Expenses	<u>25,418,781</u>	<u>23,806,102</u>	<u>1,612,679</u>	7%
Increase (Decrease) in Net Position	<u>972,197</u>	<u>2,056,334</u>	<u>(1,084,137)</u>	-53%
Net Position - Beginning	11,741,268	9,590,428	2,150,840	22%
Prior Period Adjustments	-	94,506	(94,506)	-100%
Net Position - Beginning (Restated)	<u>11,741,268</u>	<u>9,684,934</u>	<u>2,056,334</u>	21%
Net Position, Ending	<u>\$ 12,713,465</u>	<u>\$ 11,741,268</u>	<u>\$ 972,197</u>	8%

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Governmental Activities

Governmental activities increased the Livingston Parish Sheriff's net position by \$972,197. Key elements of this change in net position as shown on the previous page are as follows:

- Property taxes increased by \$350,163 or 4 percent in 2014.
- Sales taxes increased \$337,617 or 5 percent in 2014.
- Intergovernmental revenue decreased \$102,092 or 4 percent in 2014.
- Total public safety expenses increased in total by \$1,612,679 or 7 percent in 2014.

Fund Financial Analysis

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

Governmental Funds

The focus of the Sheriff's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Sheriff's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the Livingston Parish Sheriff. At the end of the current fiscal year, total fund balance of the general fund was \$7,695,631, a decrease of \$(110,580). The total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund operating expenditures plus other financing uses totaling \$26,646,144.

Major Fund Budgetary Highlights

Differences between the original and final amended budgets of the major funds budgeted for expenditures and other uses were less than the final budget by \$253,356.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Capital Assets and Debt Administration

Capital Assets

The Livingston Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2014, amounted to \$4,275,707 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Sheriff's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 5 to the financial statements on page 41 of this report.

Capital Assets (Net of Depreciation) 2014 and 2013

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Land	\$ 269,557	\$ 269,557	\$ -	-
Construction in Progress	630,000	-	630,000	N/A
Buildings and Tower	459,252	459,252	-	-
Equipment and Furniture	4,158,774	4,546,628	(387,854)	-9%
Vehicles	5,083,064	4,742,789	340,275	7%
Subtotal Capital Assets	<u>10,600,647</u>	<u>10,018,226</u>	582,421	6%
Less: Accumulated Depreciation	<u>(6,324,940)</u>	<u>(6,508,720)</u>	<u>(183,780)</u>	-3%
Capital Assets, Net	<u><u>\$ 4,275,707</u></u>	<u><u>\$ 3,509,506</u></u>	<u><u>\$ 766,201</u></u>	22%

Other Post-Employment Benefits

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions (GASB 45). The statement was implemented prospectively. Using this method, the beginning other post-employment benefits (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) will be amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The total ARC for the Fiscal year ending June 30, 2014 is \$331,724 for medical and life combined.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Livingston Parish Sheriff's budget for the 2014 fiscal year:

- The two major revenue sources for the general fund are ad valorem taxes and sales and use taxes. Ad valorem tax increased by \$350,163 between 2013 and 2014.
- Sales tax revenues increased by approximately \$337,617 between 2013 and 2014.

Request for Information

This financial report is designed to provide a general overview of the Livingston Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report for June 30, 2014, or requests for additional financial information should be addressed to Jamie Felder, Chief Fiscal Officer of the Livingston Parish Sheriff, at (225) 686-2241.

Basic Financial Statements

Government-Wide Financial Statements

**Livingston Parish Sheriff
Statement of Net Position
As of June 30, 2014**

Statement A

	<u>Primary Government Governmental Activities</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 6,590,566
Receivables, Net:	2,394,497
Assets Held as Inventory	48,482
Total Current Assets	<u>9,033,545</u>
Restricted Assets:	
Noncurrent	
Net Other Post Employment Benefit Asset	693,645
Total Restricted Assets	<u>693,645</u>
Capital Assets:	
Land	269,557
Construction in Progress	630,000
Capital Assets, Net	3,376,150
Total Capital Assets	<u>4,275,707</u>
Total Assets	<u>14,002,897</u>
Liabilities	
Current Liabilities:	
Accounts Payable	210,875
Other Accrued Payables	1,078,557
Total Current Liabilities	<u>1,289,432</u>
Total Liabilities	<u>1,289,432</u>
Net Position	
Net Investment in Capital Assets	4,275,707
Unrestricted	8,437,758
Total Net Position	<u>\$ 12,713,465</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Statement of Activities
For the year ended June 30, 2014

		Program Revenues				Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Primary Government Governmental Activities
Governmental Activities						
Public Safety	\$ (25,418,781)	\$ 4,280,736	\$ 247,364	\$ 67,282	\$	(20,823,399)
Total Governmental Activities	(25,418,781)	4,280,736	247,364	67,282	\$	(20,823,399)
 General Revenues:						
Taxes:						
Property Taxes						10,027,243
Sales Taxes						7,293,461
Intergovernmental						
For Support of Prisoners						2,151,795
Reimbursements						-
State Revenue Sharing						660,796
Investment Earnings						25,666
On Behalf Payments - State Supplemental Pay						699,807
Miscellaneous						953,671
Loss on Sale of Assets						(16,843)
Total General Revenues and Transfers						21,795,596
 Change in Net Position						972,197
 Net Position - Beginning						11,741,268
 Net Position - Ending					\$	12,713,465

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Livingston Parish Sheriff
Balance Sheet, Governmental Funds
As of June 30, 2014

Statement C

	General Fund
Assets	
Cash and Equivalents	\$ 6,590,566
Receivables, Net:	
Due from Other Governments	2,255,982
Other	138,515
Total Assets	\$ 8,985,063
 Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 209,647
Other Accrued Liabilities	1,228
Accrued Wages and Employee Benefits	381,505
Due to Other Governments	697,052
Total Liabilities	1,289,432
 Fund Balances:	
Unassigned	7,695,631
Total Fund Balances	7,695,631
 Total Liabilities and Fund Balances	 \$ 8,985,063

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2014

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	7,695,631
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		4,275,707
Capital assets held as inventory		48,482

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental fund.

Compensated Absences Payable		-
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The liability associated with the net unfunded long-term Other Post Employment Benefit Obligation Asset is also not payable in the current period. Therefore, the amount is not reported in the Governmental fund.

		693,645
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Net Position of Governmental Activities (Statement A)	\$	<u><u>12,713,465</u></u>
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The accompanying notes are an integral part of this statement.

Statement E

Livingston Parish Sheriff
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended June 30, 2014

	General Fund
Revenues	
Taxes	
Ad valorem	\$ 10,027,243
Sales and Use	7,293,461
Intergovernmental	
Grants	314,646
Support of Prisoners	2,155,401
State Revenue Sharing	660,796
Service Contract Revenue	1,003,180
Fines, Forfeitures and Other Fees	3,278,690
Use of Money and Property	24,532
Miscellaneous	950,065
On Behalf Payments - State Supplemental Pay	699,807
Total Revenues	26,407,821
Expenditures	
Public Safety	
Personal Services and Related Benefits	
Salaries	12,114,064
Employee Benefits	6,725,690
Operating Services	3,208,775
Professional Services	555,222
Materials and Supplies	2,085,849
Other	16,236
Total Public Safety	24,705,836
Capital Outlays	1,940,308
Total Expenditures	26,646,144
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	(238,323)
Other Financing Sources (Uses)	
Proceeds from Sale of Capital Assets	127,743
Total Other Financing Sources (Uses)	127,743
Net Change in Fund Balances	(110,580)
Fund Balances, Beginning	7,806,211
Fund Balances, Ending	\$ 7,695,631

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the year ended June 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (110,580)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

Expenditures for capital assets	\$ 1,940,308	
Less:		
Loss on sale of capital assets	(16,843)	
Proceeds from the sale of capital assets	(127,743)	
Current year depreciation	<u>(981,038)</u>	
		814,684

In the Statement of Activities, certain operating expenses-compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, (essentially, the amounts actually paid) vacation and sick time earned exceeded the amounts used.

262,035

(Increases) or decreases in the unfunded post-employment benefit obligations for medical and life insurance netted against the assets in trust to fund those estimated liabilities in future periods are not recorded for governmental funds on the fund basis.

6,058

Change in Net Position of Governmental Activities, Statement B \$ 972,197

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Fiduciary Fund Financial Statements

Livingston Parish Sheriff
Statement of Net Position - Fiduciary Funds
As of June 30, 2014

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	<u>Retired Employees Benefit Fund</u>	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Inmate Deposit Fund</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 89,459	\$ 1,103,422	\$ 111,475	\$ 55,785
Investments	7,151,790			
Total Assets	<u>7,241,249</u>	<u>1,103,422</u>	<u>111,475</u>	<u>55,785</u>
Liabilities				
Held for taxing bodies and others	-	1,103,422	111,475	55,785
Total Liabilities	<u>-</u>	<u>1,103,422</u>	<u>111,475</u>	<u>55,785</u>
Total Net Position	<u>\$ 7,241,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff		Statement H
Statement of Changes in Net Position - Fiduciary Trust Fund		
For the year ended June 30, 2014		
		<u>Trust Fund</u>
		Retired
		Employees Benefit
		Fund
		<u> </u>
Additions		
Investment Interest	\$	229,037
Realized Gain (Loss) on Investments		521,996
Total Additions		<u>751,033</u>
 Deductions		
Investment Expenses		27,718
Miscellaneous Expenses		4,069
Total Deductions		<u>31,787</u>
Change in Net Position		719,246
Net Position - Beginning		6,522,003
Net Position - Ending	\$	<u><u>7,241,249</u></u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Statement of Changes in Net Position - Fiduciary Agency Funds
For the year ended June 30, 2014

	<u>Agency Funds</u>		
	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Inmate Deposit Fund</u>
Additions			
Suits and Sales	\$ 3,588,730	\$ -	\$ -
Fines and Bonds	3,213,285	-	-
Advance Deposits	408,320	-	-
Garnishments	443,273	-	-
Property Taxes	-	51,038,168	-
Parish Occupational Licenses	-	945,379	-
State Revenue Sharing	-	2,621,121	-
Redemptions and Refunds	-	791,355	-
Interest on Delinquent Taxes	5,277	139,239	-
Other	373,481	175,181	810,864
Total Additions	<u>8,032,366</u>	<u>55,710,443</u>	<u>810,864</u>
Distributions			
By Funding Source			
Property Taxes	-	50,944,836	-
Parish Occupational Licenses	-	803,632	-
State Revenue Sharing	-	2,621,122	-
Redemptions and Refunds	462,716	787,250	-
Earned Interest	-	186,030	-
Pension Funds	2,401,217	-	-
By Location			
State of Louisiana			
Livingston Parish			
Clerk of Court	475,847	-	-
Parish Council	180,216	-	-
Sheriff	1,612,288	342,286	-
Twenty-first Judicial District			
District Attorney	1,415,274	-	-
Other Parties			
Advertising	276,575	-	-
Appraisers and Helpers	50,375	-	-
Attorneys and Litigants	393,247	-	-
Municipalities	197,095	-	-
Other	568,327	24,438	790,157
State Crime Laboratory	6,696	-	-
Total Distributions	<u>8,039,873</u>	<u>55,709,594</u>	<u>790,157</u>
Change in Net Position	<u>\$ (7,507)</u>	<u>\$ 849</u>	<u>\$ 20,707</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

Introduction

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Livingston Parish Sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the Parish of Livingston, Louisiana. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of the neighborhood watch programs, and anti-drug abuse programs. Additionally, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsman's licenses and fines, costs and bond forfeitures imposed by the district court.

The Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of the employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is financially independent, other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana Law. Accordingly, the Sheriff is a separate governmental reporting entity.

Certain units of local government which the Sheriff exercises no oversight responsibility such as the parish government, parish school board, other independently elected parish officials and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The accompanying basic financial statements of the Livingston Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Sheriff has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that require capital contributions to the Sheriff to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I—Net Position*.

The District has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, and charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when the Sheriff is entitled to the funds.

Expenditures, including capital outlays, are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned or unassigned fund balances are available, the Sheriff considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

The Sheriff reports the following major governmental fund:

- The *General Fund* is the Sheriff's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The following fiduciary funds are reported separately:

Trust Fund

Retired Employees Benefit Fund: This fund accounts for the resources that are held in trust for the members and beneficiaries of the Sheriff's other post-employment benefit plan.

Agency Funds

Sheriff's Fund, Tax Collector Fund, and the Inmate Deposit Fund: The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, and inmate monies. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, or deputies as prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

activities or obligations of the government, these funds are not incorporated into the government wide statements.

C. Budget Practices

The proposed budget for the year ended June 30, 2014, was made available for public inspection and comments from taxpayers at the Sheriff's Office during June 2013. The proposed budget, per the June 10, 2013, public notice was available for public inspection Monday through Friday, 8:00 a.m. to 4:00 p.m. The public notice also noted that all interested parties may be present at 10:00 a.m., at the Sheriff's Office on June 20, 2013, to express their views concerning the Sheriff's Fiscal Budget. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Encumbrance accounting is not used. However, the budget is integrated into the accounting records, which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

D. Deposits and Investments

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Sheriff's investment policy allow the Sheriff to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments are limited by Louisiana Revised Statutes and the Sheriff's Investment Policy. Investments held by the Sheriff at June 30, 2014, were limited to investments for Other Post-Employee Benefits (OPEB) invested per the requirements of Louisiana Revised Statute 33:5162 and consisted of funds invested in a newly created investment trust account. Investments, when held, are reported at fair market value.

E. Revenues

Ad valorem taxes and the related state revenue sharing, which is based on population and homesteads in the parish, are recorded in the year taxes are assessed. Ad valorem taxes are assessed and become due on November fifteenth of each year and become delinquent on December thirty-first. The taxes are generally collected in December of the current year and January and February of the ensuing year. The ad valorem tax was assessed pursuant to an election on April 9, 1977, with the tax assessed in perpetuity at an original assessment of an additional fifteen (15) mills on all property subject to taxation.

Federal and state grants are recorded when the law enforcement district is entitled to the funds. Sales and use tax revenues are collected by the Livingston Parish School Board and are recognized by the law enforcement district as revenue in the month the tax is collected. The Sheriff receives a half a cent parish-wide sales tax to help cover the cost of operating expenses, which does not expire. The current sales tax of one-half of one percent was approved by election on March 10, 1992, and was approved in perpetuity. On April 23, 2005, voters approved a re-dedication and use for a limited time an amount equal to 72% of the proceeds of the one-half percent sales and use tax collected within the boundaries of the Denham Springs Economic Development District for the payment of debt service on sales tax increment revenue bonds issued to finance a Bass Pro retail outlet and related improvements and infrastructure. The 1995 rededication of sales and use taxes within the Denham Springs Economic Development is to continue

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

until the bonds remain outstanding. The balance of 28% of the sales and use tax remains payable to the Livingston Law Enforcement District, with the percentage increasing to 100% as the bonds are paid in full. The sales tax revenue is recorded in the month it was collected. Interest on investments and all other revenues are recorded when the income is measurable and available.

F. Capital Assets

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,500 or more for capitalizing capital assets.

When surplus items are sold for an immaterial amount after being declared un-needed for public purposes, no salvage value is utilized for depreciation purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Tower	40 Years
Furniture and Fixtures	5 Years
Vehicles	5 Years
Equipment	5 - 20 Years

G. Compensated Absences

The Sheriff has the following policy related to vacation and sick leave:

Vacation. Paid vacation is a benefit of employment given to eligible employees of LPSO. For purposes of this policy, "eligible employees" are those employees who are regularly employed to work more than 30 hours per week for the LPSO and who have completed one uninterrupted year of service with LPSO.

Each year all eligible employees are granted up to four weeks of vacation depending on the number of years employed. All vacation time must be taken during the fiscal year in which it is due. Any unused vacation is forfeited at the year end of each fiscal year and employees will not be compensated for unused vacation upon separation of employment.

Personal Leave. Paid personal leave is a benefit of employment given to eligible employees of LPSO. For purposes of this policy, "Eligible employees" are those employees who are regularly employed to work more than 30 hours per week for the LPSO and who have completed their introductory period.

Each 8 hour per day employee is granted eighty (80) hours of personal leave and each 12 hour per day employee is granted one hundred twenty (120) hours of personal leave each fiscal year.

Effective July 1, 2013, policy was changed to state that unused personal leave may not be carried over and accumulated in subsequent fiscal years.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

Any unused personal leave is forfeited at the end of each fiscal year and employees will not be compensated for unused personal leave upon separation of employment.

The Sheriff's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability, which includes both accrued vacation and sick leave, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

For the fiscal year ending June 30, 2013, the compensated absences liability is recorded as a long-term liability on the government-wide financial statements. Effective July 1, 2013 policy was changed stating that all leave shall be forfeited upon termination of employment. Compensated absences payable for prior years was paid out in July 2013.

H. Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, 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. Subsequent to fiscal year end, as detailed in *Footnote 14 – Long-Term Debt* and in *Footnote 20 – Subsequent Events*, the Livingston Parish Sheriff on July 18, 2014 issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at an annual interest rate of 4%, and are due in semi-annual interest and annual principal installments, with the bonds maturing on April 1, 2014.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

The Sheriff has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued ("old") debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). As described in paragraphs 3 and 4 of GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, an advance refunding may result in the in-substance defeasance of the old debt provided that certain criteria are met.

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. The Series 2014 Revenue bonds issued by the Sheriff on July 18, 2014, represent new debt for constructing a facility to house inmates participating in a work release program.

Paragraph 187 of GASB Statement 62 establishes standards of accounting and financial reporting for debt issuance costs. Paragraph 12 of Statement 7 indicates that debt issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses). Debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prepaid insurance costs should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration 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.

I. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position**

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position**

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position**

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB 54 for the year ended December 31, 2011. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- **Non-spendable.** These are amounts that cannot be spent either, because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision making authority for the Sheriff.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- **Unassigned.** These are all other spendable amounts.

J. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the parish, which are either unusual in nature or infrequent in occurrence.

L. Deferred Revenues

The Sheriff reports deferred revenues on its statement of net position and its fund financial statements balance sheet. Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant money is received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

M. 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 reported period. Actual results could differ from those estimates.

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Deposits and Investments

At June 30, 2014, the Sheriff has cash and cash equivalents (book balances) totaling, as follows:

	2014
Governmental Funds	
Cash on Hand	\$ 2,400
Interest Bearing Demand Deposits	6,588,166
Subtotal Deposits in Governmental Fund	6,590,566
Fiduciary Funds	
Demand Deposits	1,276,625
Louisiana Asset Management Pool	83,516
Subtotal Deposits in Fiduciary Funds	1,360,141
Total Deposits	\$ 7,950,707

Fiduciary funds are not reflected in the Statement of Net Assets.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

These demand deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2014, the Sheriff has \$8,908,981 in deposits (collected bank balances), entirely consisting of demand deposits. The demand deposits are secured from risk by \$258,708 of federal deposit insurance and \$8,650,273 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

At June 30, 2014, the cash equivalents considered to be a demand deposit in the Louisiana Asset Management Pool (LAMP) totaling \$83,516 are restricted for Other Post-Employee Benefits (OPEB).

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as the fair value and consists of securities of the United States Government or its agencies and as such do not require additional pledged collateral.

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

LAMP is administered by LAMP, Inc., a nonprofit 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. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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 LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2295(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment Grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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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 regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

3. Investments

In the fiscal year ending June 30, 2014, the Investment Advisory Board, which governs the Livingston Parish Retired Employees Insurance Fund (LREIF), began implementation of a relationship with a professional investment manager. The LREIF is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff reports the Retired Employees Benefits Trust Fund as a fiduciary fund.

The Advisory Board began moving investments from the Louisiana Asset Management Pool (LAMP) in June of 2011 and completed the transfer in July of 2011. The Advisory Board adopted an investment policy which outlines asset allocation strategy, investment structure, monitoring and evaluation criteria, as well as performance measurement milestones. The Investment Advisory Board selected an initial asset allocation of thirty-five percent equities and sixty-five percent fixed income with an expected long-term return of six percent. As of June 30, 2014, assets transferred to the investment manager totaled \$7,151,790, and are supplemented by LAMP funds of \$83,516, for a total of \$7,235,306.

Investments held in (LREIF)	Composite Ratings	Percentage
Mutual Funds	Varies	100%

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

4. Receivables

The Governmental Fund receivables at June 30, 2014 consist of the following:

Government Receivables	General Fund
	<u> </u>
Due from Fiduciary Funds	
Due from Tax Collector Fund	\$ 150,133
Due from Other Fund Accounts	11,971
Due from Other Governments	
Due from Livingston Parish Council	87,053
Due from Livingston Parish School Board	688,111
Grants	511,333
Other	857,391
Due from Private Entities for Security Services	31,208
Due from Private Trade Entities	57,297
Total Government Receivables	\$ <u>2,394,497</u>

Livingston Parish Sheriff
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5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2014 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Reclass- ifications	Increase s	Decrease	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 269,558	\$ -	\$ -	\$ -	\$ 269,558
Construction in Progress	-	-	630,000	-	630,000
Total Capital Assets Not Being Depreciated	269,558	-	630,000	-	899,558
Capital Assets Being Depreciated:					
Buildings and Tower	627,853	-	-	-	627,853
Equipment and Furniture	4,236,019	-	125,721	(513,575)	3,848,165
Vehicles	4,884,794	-	1,136,105	(795,830)	5,225,069
Total Capital Assets Being Depreciated	9,748,666	-	1,261,826	(1,309,405)	9,701,087
Less Accumulated Depreciation for:					
Buildings and Tower	(195,592)	-	(11,482)	-	(207,074)
Equipment and Furniture	(3,433,860)	-	(268,639)	419,127	(3,283,372)
Vehicles	(2,879,267)	-	(700,917)	745,692	(2,834,492)
Total Accumulated Depreciation	(6,508,719)	-	(981,038)	1,164,819	(6,324,938)
Total Capital Assets Being Depreciated, Net	3,239,947	-	280,788	(144,586)	3,376,149
Total Governmental Activities Capital Assets, Net	\$ 3,509,505	\$ -	\$ 910,788	\$ (144,586)	\$ 4,275,707

Depreciation was charged to governmental functions as follows:

Public Safety	\$ 981,038
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The total of \$630,000 construction in progress costs includes payments for supplemental construction costs, per cooperative agreement with the Livingston Parish Council, for improvements to house Livingston Parish Sheriff operations within the new Courthouse Building.

6. Accounts, Salaries, and Other Payables

Governmental Funds Payable	General Fund
Accounts	\$ 210,875
Accrued Wages and Employee Benefits	
Accrued Salaries	99,401
Accrued Health Claims	282,104
Other Accrued Liabilities	
Due to Other Governments	697,052
Total Government Funds Payable	\$ 1,289,432

**Livingston Parish Sheriff
Notes to the Financial Statements
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7. State Revenue Sharing

The revenue sharing funds provided by Act 525 were distributed as follows for the year ended June 30, 2014.

Livingston Parish School Board	\$	927,324
Livingston Parish Council		397,560
Livingston Parish Library		163,978
Livingston Parish Fire Protection Districts		271,320
Livingston Parish Sheriff		660,796
Livingston Parish Assessor		120,628
Clerks of Court Association of LA		2,391
Livingston Parish Juvenile Justice Commission		20,734
Livingston Parish Gravity Drainage District		28,837
Pension Funds		27,554
Total Revenue Sharing Funds Distributed	\$	<u>2,621,122</u>

8. Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2014 include taxes paid under protest plus interest earned to date on the investment of these funds totaling \$89,530. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

9. Group Health Self Insurance

Beginning in March of 2005, the Sheriff started self-insuring the group health coverage for employees. Each month the Sheriff funds an account with an amount equal to what would be required for premiums if the previous policy had continued. From this account, the health claims of employees are paid, as well as a premium for stop-loss insurance which caps the claims per employee at \$30,000 per policy year. As of June 30, 2014, the account used to pay claims had a book balance of \$9,911, which represents a commitment of the General Fund. The Sheriff has accrued a liability for claims incurred but not reported as of June 30, 2014 in the amount of \$282,104 based on a search of actual claims subsequent to the balance sheet date.

The officers of the Louisiana Sheriff's Association may adopt a self-insurance plan to provide group coverage for health, medical and surgical expenses of participating sheriffs and deputy sheriffs. Any self-insurance plan adopted by the Louisiana Sheriff's Association shall not be subject to any of the provisions of Subpart P or Part I of Chapter 2 of Title 22 of the Louisiana Revised Statutes of 1950.

10. Retirement Systems

Substantially all Sheriff employees are members of the Louisiana Sheriff's Pension and Relief Fund (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS) administered by a separate board of trustees. The System is a state-wide public retirement system for the benefit of sheriffs and their staffs. The System was established and provided for within LSA-RS 11:2171 of the Louisiana revised statutes.

Contributions of participating sheriffs, together with shared, local and state revenues are pooled within the System to fund accrued benefits. Both employer and employee contribution rates are approved by the

Livingston Parish Sheriff
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Louisiana Legislature. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries determined by state statute.

The remaining employees are members of the Federal Social Security System.

A. Federal Social Security System

All employees who are not eligible to participate in the Louisiana Sheriff's Pension and Relief Fund are members of the Federal Social Security System. The Sheriff contributes 6.2 percent for social security and 1.45 percent for medicare, and its employees contribute 4.2 percent for social security and 1.45 percent for Medicare of each employee's taxable compensation. The Sheriff's contributions during the year ended June 30, 2014 were \$67,596 for social security and \$176,536 for Medicare.

B. Louisiana Sheriff's Pension and Relief Fund (System)

Plan Description. All sheriffs and deputies who are found to be physically fit, who earn at least \$800 per month, if employed on or after January 1, 2000 and who were between the ages of eighteen and fifty at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age fifty-five with at least twelve years of credited service and receive a benefit, payable monthly for life equal to a percentage of their final average salary for each year of credited service.

A three and one third percentage factor is used for each year of service. The retirement benefit cannot exceed one hundred percent of the final average salary. Final average salary is the employee's average salary over the thirty-six consecutive or joined months that produce the highest average.

Employees who terminate with at least twelve years of service and who do not withdraw their employee contributions may retire at or after age fifty-five and receive the benefit accrued to their date of termination. Employees who terminate with twenty years of credited service are eligible to elect early benefits between ages fifty and fifty-five with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled to at age fifty-five.

For the year ending June 30, 2014, plan members were required to contribute ten percent of their salary and the Livingston Parish Sheriff was required to contribute at an actuarially determined rate of twelve percent of annual covered payroll. Contributions to the System also include one half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Livingston Parish Sheriff are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Sheriff's contribution to the System for the year ending June 30, 2014, was \$1,605,931 equal to the required contributions for the year.

The System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Sheriff's Pension Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, by calling (225) 219-0500, emailing info@lsprf.com or by going to their website at www.lsprf.com.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

11. Other Post-Employment Benefits

Plan Description: The Livingston Parish Sheriff contributes to a single-employer defined benefit health care plan (The Livingston Parish Retired Employees Insurance Fund, LREIF.) The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan. Benefit provisions are established by state law (L.R.S. 33:1448(G)). The LREIF does not issue a publically available financial report.

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The statement was implemented prospectively. The beginning other post-employment benefit (OPEB) liability was set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) is being amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff pays one hundred percent of the medical coverage for the retiree only (not dependents). Retirees are eligible for benefits once they meet the retirement eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund. Eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund are age fifty-five with at least twelve years of service or any age with at least thirty years of service.

Life insurance coverage is continued to retirees in the same amount as while active but there is a reduction schedule whereby the amount of life insurance is reduced to the following percentages: 65% at age 65, 45% at age 70, 30% at age 75, 20 % at age 80, 15% at age 85 and 10% at age 90. The employer pays 100% of the cost of life insurance after retirement for retirees (not dependents), but it is based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, the Sheriff uses the 94GAR mortality table described below to "un-blend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption. Zero trend was used for life insurance.

GASB 45: Accounting for Other Post Employment Benefit (OPEB) Obligations requires governmental entities to record the present value of the unfunded employer costs associated with non-retirement-based expected payments to current and former employees for post employment benefits such as health and life insurance. The Sheriff utilized a specialist to estimate the present value of the full costs of all promised health and life insurance benefits to all current and former employees included in the current benefit population utilizing such factors as the age, retirement age, expected increases in health costs, expected employer contributions, historical health claims by employee population, and other factors.

The rationale behind the implementation of GASB 45 relates to the fact that the former and current employees to the balance sheet date have provided services to the entity and have created a cost in the current period that will need to be paid in future periods based on the current employer-employee agreement. The unfunded portion of these costs will require future cash flows, which need to be considered in combination with other expected future cash outflows in order to avoid budget deficits in those fiscal periods.

Contribution Rates. All premium costs are paid by the Sheriff for active retirees.

Fund Policy. Until 2008, the Livingston Parish Sheriff recognized the cost of providing post-employment medical and life benefits (Livingston Parish Sheriff's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

Livingston Parish Sheriff
Notes to the Financial Statements
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During the Fiscal Year beginning June 30, 2009, Livingston Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45) and created the Livingston Parish Retired Employees Insurance Fund (LREIF), a trust to finance future payments of retired employee's premium costs. The Sheriff is required by R.S. 1448.2.B. to deposit one percent of the money received in Livingston Parish Sheriff's general fund and any other money that the Sheriff may contribute to the trust fund each year until the total amount of money, including principal and earnings, equals the sum of six million dollars.

On July 1, 2008, the Sheriff contributed the total amount of six million dollars to the trust. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Livingston Parish. The trust provides that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of six million dollars. In the event that the total amount of money derived from deposits and investment earnings falls below the sum of six million dollars, no earnings shall be withdrawn.

Annual Required Contribution. Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of thirty years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

	2014	2013
Normal Cost	\$ 188,746	\$ 178,062
30-year UAL (Unfunded Liability) amortization amount	142,978	134,885
Annual required contributions (ARC)	\$ 331,724	\$ 312,947

Livingston Parish Sheriff
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Net Post-employment Benefit Obligation (Asset). The table below shows Livingston Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2014:

	2014	2013
Beginning Net OPEB Obligation	\$ (687,587)	\$ (685,087)
Annual required contribution (ARC)	331,723	312,946
Interest on Net OPEB Obligation (Asset)	(27,503)	(41,105)
ARC Adjustment	39,763	49,771
OPEB Cost	343,983	321,612
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(350,041)	(324,112)
Change in Net OPEB Obligation	(6,058)	(2,500)
Ending Net OPEB Obligation (Asset)	\$ (693,645)	\$ (687,587)

The following table shows Livingston Parish Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical and Life	6/30/2009	4%	\$ 2,308,240	274.99%	\$ (4,039,176)
Medical and Life	6/30/2010	6%	\$ 2,384,499	21.02%	\$ (2,155,906)
Medical and Life	6/30/2011	6%	\$ 1,097,224	32.01%	\$ (1,409,949)
Medical and Life	6/30/2012	6%	\$ 1,086,338	33.27%	\$ (685,087)
Medical and Life	6/30/2013	6%	\$ 321,612	100.78%	\$ (687,587)
Medical and Life	6/30/2014	6%	\$ 343,983	101.76%	\$ (693,645)

Funded Status and Funding Progress. In 2014 and 2013, the Livingston Parish Sheriff made no contributions to its post-employment benefits plan. However, in July of 2011, a lump sum contribution of \$2,000,000 was transferred within the meaning of paragraph 141 of GASB 45.

The plan had assets of \$7,151,790 as of June 30, 2014. Based on July 1, 2012, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$8,904,335, which is defined as that portion, as determined by a particular actuarial cost method (Livingston Parish Sheriff uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Livingston Parish Sheriff
Notes to the Financial Statements
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The development of the funded ratio and UAAL as a percentage valuation of payroll as of June 30, 2014 are shown in the following table.

	2014	2013
Actuarial Accrued Liability (AAL)	\$ 8,904,335	\$ 8,400,316
Actuarial Value of Plan Assets	7,151,790	5,908,032
Unfunded Act. Accrued Liability (UAAL)	1,752,545	2,492,284
Funded Ratio (Act. Val. Assets / AAL)	80.32%	70.33%
Covered Payroll (active plan members)	\$ 12,099,643	\$ 11,990,445
UAAL as a percentage of covered payroll	14.48%	20.79%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Livingston Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Livingston Parish Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Livingston Parish Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. The actuarial value of assets is at market value.

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15%.

Post employment Benefit Plan Eligibility Requirements. Since employees are eligible to retire (or enter the five year D.R.O.P.) at age 55 and 12 years of service, but employees must have at least 15 years for retiree medical benefits coverage, we have assumed that actual retirement (and commencement of OPEB benefits) occurs five years after the earliest of 30 years of service, attainment of age 55 and 20 years of service and attainment of age 60 and 15 years of service. The five years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

Livingston Parish Sheriff
Notes to the Financial Statements
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Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the returns currently obtained in the investments held in the trust, a six percent annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an annual rate of 5.0% for ten years out.

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired both before and after Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare eligibility as 130% of the blended rate and Medicare eligibility as 80% of the blended rate, as required by GASB 45 for valuation purposes.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above, is an inflation assumption of 2.50% annually.

Projected Salary Increase. This assumption is not applicable since neither the benefits structure nor the methodology involves salary.

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

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

	OPEB Costs and Contributions		
	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>
OPEB Cost	\$ 343,983	\$ 321,612	\$ 1,086,338
Contribution	-	-	-
Retiree Premium	<u>350,041</u>	<u>324,112</u>	<u>361,476</u>
Total Contribution and premium	<u>350,041</u>	<u>324,112</u>	<u>361,476</u>
Change in net OPEB obligation	<u>\$ (6,058)</u>	<u>\$ (2,500)</u>	<u>\$ 724,862</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	101.76%	100.78%	33.27%

Livingston Parish Sheriff
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Deferred Compensation Plan

All of the employees of the Livingston Parish Sheriff are eligible to participate in the State of Louisiana deferred compensation plan. Employees hired after July 1, 2012 do not receive employer match deferred compensation plan. Employees hired before July 1, 2012 continue to receive an employer match according to the following schedule:

Years of Service	Match
0-4	2.00%
5-9	4.00%
10-14	7.00%
15-19	10.00%
20-24	12.00%
25+	14.31%

Employees may contribute up to twenty-five percent of their salary (not to exceed \$17,500 a year) to the plan on a pre-tax basis. Participants in the plan have two different opportunities to catch up and contribute more during the final years of their career. "Standard Catch-Up" allow participants in the three calendar years prior to normal retirement age to contribute more to the plan (up to double the annual contribution limit of \$35,000 in 2013). The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Also, participants turning age 50 or older in 2014 may contribute an additional \$5,500. The Standard Catch-Up provision and the Age 50+ Catch Up provision cannot be used in the same year.

The contributions are withheld from the employees' paycheck and the Sheriff matches employees' contributions according to plan specifications. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited in an account in the employee's name. The Livingston Parish Sherriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2014, the Sheriff contributed \$410,740 to the plan.

12. Compensated Absences

Effective July 1, 2013 policy was changed stating that all leave shall be forfeited upon termination of employment. Compensated absences payable for prior years in the amount of \$262,035 was paid out in July 2013.

Livingston Parish Sheriff
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13. Long Term Debt

As of June 30, 2014, the Livingston Parish Library is owed \$786,272. The amount of \$89,220 of the Tax Collector escrow account balance is obligated to the Livingston Parish Library and the remaining balance of \$697,052 is recorded as a liability of the general fund.

Future requirements are as follows:

Fiscal Year	Principal	Interest	Total
Ended June 30			
2015	\$ 90,000	\$ -	\$ 90,000
2016	12,000	-	12,000
2017	12,000	-	12,000
2018	12,000	-	12,000
2019	12,000	-	12,000
2020 to 2024	60,000	-	60,000
2025 to 2029	588,272	-	588,272
	<u>\$ 786,272</u>	<u>\$ -</u>	<u>\$ 786,272</u>

As described in *Footnote 20 – Subsequent Events*, on July 18, 2014, the Livingston Parish Sheriff issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at annual interest rate of 4.0% with interest installments due semi-annually and principal payments due annually, with the bonds maturing on April 1, 2014. The annual requirements to amortize the Series 2014 Revenue Bonds, including interest payments of \$582,711, are as follows:

Fiscal Year	Total
Ended June 30	
2015	\$ 358,711
2016	380,800
2017	369,600
2018	358,400
2019	347,200
2020	336,000
2021	324,800
2022	313,600
2023	302,400
2024	291,200
	<u>\$ 3,382,711</u>

Livingston Parish Sheriff
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15. Tax Collector Account

Cash on Hand at Fiscal Year End

The balance in the Tax Collector Account at June 30, 2014, consisted of the following:

Tax Collector Operating Account	\$	21,945
Tax Collector Protested Taxes Account		89,530
		111,475
Cash Balance at Fiscal Year End	\$	111,475

The total of \$21,945 for the Tax Collector Operating Account consisted of accumulated interest income only, which was disbursed to taxing districts in July 2014. The total of \$89,530 within the Tax Collector Protested Taxes account at June 30, 2014, consisted of tax payments and accumulated interest income, for tax payments placed in escrow pending legal settlement. Amounts in escrow at June 30, 2014, consisted of the following:

Taxpayer	Accumulated Interest Income	Total Tax Payments Escrowed	Total Taxes and Interest
Library Maintenance	\$ 310	\$ 89,220	\$ 89,530
Total Taxes and Interest	\$ 310	\$ 89,220	\$ 89,530

Louisiana Revised Statutes (R.S. 24:513B), as amended by Act 711 of the Louisiana Legislative Session, require that the audit report for parish sheriffs include footnote disclosures for the amount of taxes collected and disbursed per taxing entity. For the Livingston Parish Sheriff, this requires disclosure of current and prior year ad valorem tax collections and distributions, and disclosure of occupational license fees collected and disbursed. For ad valorem taxes, amounts collected vary to disbursements by tax refunds, fees, commissions, Louisiana Tax Commission (LTC) change orders, and other corrections. The amount of collections and disbursements are presented in the following sections.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

The schedule of taxes assessed and settled is as follows for the fiscal year ending June 30, 2014:

Taxing District	Adjusted				Tax to be	Amount
	Tax Roll	Adjudications	Refunds	Uncollected	Collected	Settled
Livingston Parish Assessor	\$ 3,941,987	\$ 93,329	\$ 27,976	\$ 3,606	\$ 3,873,028	\$ 3,873,028
Livingston Gravity Drainage District No. 1	723,374	5,903	3,258	1,006	719,723	719,723
Livingston Fire Protection District No. 1	180,522	10,502	657	458	170,219	170,219
Livingston Fire Protection District No. 2	297,279	12,480	1,903	144	286,558	286,558
Livingston Fire Protection District No. 4	1,860,206	34,437	17,972	467	1,843,275	1,843,275
Livingston Fire Protection District No. 5	961,403	10,264	4,381	220	955,300	955,300
Livingston Fire Protection District No. 7	64,617	5,899	676	2	59,392	59,392
Livingston Fire Protection District No. 8	145,251	7,015	2,833	5	141,064	141,064
Livingston Fire Protection District No. 9	171,117	5,002	468	933	165,650	165,650
Livingston Fire Protection District No. 10	144,851	4,803	297	-	140,345	140,345
Livingston Fire Protection District No. 11	19,399	614	107	39	18,853	18,853
Livingston Fire Protection District No. 4 (User Fees)	658,528	9,760	448	320	648,896	648,896
Livingston Fire Protection District No. 7 (User Fees)	33,312	1,184	32	96	32,064	32,064
Livingston Fire Protection District No. 9 (User Fees)	70,816	1,696	96	160	69,056	69,056
Livingston Fire Protection District No. 11 (User Fees)	17,120	608	-	64	16,448	16,448
Livingston Parish Library - LBM	462,675	10,954	3,284	423	454,581	454,581
Livingston Parish Library - LIB Tax	4,626,745	109,541	32,836	4,233	4,545,807	4,545,807
Livingston Parish Council - PTX	928,028	21,383	7,163	727	913,081	913,081
Livingston Parish Council - Road Equip & Mtee	2,313,372	54,771	16,418	2,116	2,272,903	2,272,903
Livingston Parish Council - Health Unit	2,109,796	49,951	14,973	1,930	2,072,888	2,072,888
Livingston Recreation District No. 2	838,605	5,594	4,986	70	837,928	837,928
Livingston Recreation District No. 3	2,386,406	19,475	10,750	3,320	2,374,361	2,374,361
Livingston Recreation District No. 5	331,661	29,431	3,453	166	305,518	305,518
Livingston Parish School Board - S01	2,088,670	21,083	10,417	2,473	2,075,530	2,075,530
Livingston Parish School Board - S04	1,094,206	26,990	11,938	310	1,078,844	1,078,844
Livingston Parish School Board - S22	1,397,675	9,323	8,310	116	1,396,546	1,396,546
Livingston Parish School Board - S31	157,108	6,899	5,169	7	155,371	155,371
Livingston Parish School Board - S32A	331,357	15,887	5,352	1,392	319,430	319,430
Livingston Parish School Board - S33	199,010	6,720	580	424	192,446	192,446
Livingston Parish School Board - Construction	1,522,199	36,039	10,803	1,393	1,495,570	1,495,570
Livingston Parish School Board - Special Mtee	3,238,721	76,679	22,985	2,963	3,182,065	3,182,065
Livingston Parish School Board - Additional Mtee	3,322,003	78,651	23,576	3,039	3,263,889	3,263,889
Livingston Parish School Board - District No. 5	2,313,372	54,771	16,418	2,116	2,272,903	2,272,903
Livingston Parish Law Enforcement	5,140,314	121,700	36,481	4,702	5,050,391	5,050,391
Livingston Parish Law Enforcement - Special	4,881,233	115,567	34,636	4,465	4,795,837	4,795,837
Florida Parish Juvenile District	1,272,365	30,125	9,026	1,164	1,250,103	1,250,103
City of Denham Springs	295,417	872	664	678	294,531	294,531
Comite River District	110,572	1,227	1,000	289	110,056	110,056
Carter Plantation Community Dev District - SBF	23,671	23,118	-	-	554	554
Carter Plantation Community Dev District - SMF	21,700	2,100	-	-	19,600	19,600
Livingston Parish Council on Aging	874,450	20,703	6,203	800	859,150	859,150
Louisiana Tax Commission - BKN	683	-	-	-	683	683
Louisiana Tax Commission - PBS	4,028	-	102	-	4,130	4,130
Louisiana Forestry	22,422	1,311	5	11	21,104	21,104
Lien for the City of Walker	9,874	-	-	-	9,874	9,874
Total Current Taxes	\$ 51,608,120	\$ 1,154,361	\$ 358,632	\$ 46,847	\$ 50,765,545	\$ 50,765,545

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

The amount of Current Year taxes collected and disbursed is as follows for the fiscal year Ending June 30, 2014:

<u>Taxing District</u>	<u>Current Taxes Collected</u>	<u>Current Taxes Disbursed</u>
Livingston Parish Assessor	\$ 3,873,028	\$ 3,873,028
Livingston Gravity Drainage District No. 1	719,723	719,723
Livingston Fire Protection District No. 1	170,219	170,219
Livingston Fire Protection District No. 2	286,558	286,558
Livingston Fire Protection District No. 4	1,843,275	1,843,275
Livingston Fire Protection District No. 5	955,300	955,300
Livingston Fire Protection District No. 7	59,392	59,392
Livingston Fire Protection District No. 8	141,064	141,064
Livingston Fire Protection District No. 9	165,650	165,650
Livingston Fire Protection District No. 10	140,345	140,345
Livingston Fire Protection District No. 11	18,853	18,853
Livingston Fire Protection District No. 4 (User Fees)	648,896	648,896
Livingston Fire Protection District No. 7 (User Fees)	32,064	32,064
Livingston Fire Protection District No. 9 (User Fees)	69,056	69,056
Livingston Fire Protection District No. 11 (User Fees)	16,448	16,448
Livingston Parish Library - LBM	454,581	454,581
Livingston Parish Library - LIB Tax	4,545,807	4,545,807
Livingston Parish Council - PTX	913,081	913,081
Livingston Parish Council - Road Equip & Mtce	2,272,903	2,272,903
Livingston Parish Council - Health Unit	2,072,888	2,072,888
Livingston Recreation District No. 2	837,928	837,928
Livingston Recreation District No. 3	2,374,361	2,374,361
Livingston Recreation District No. 5	305,518	305,518
Livingston Parish School Board - S01	2,075,530	2,075,530
Livingston Parish School Board - S04	1,078,844	1,078,844
Livingston Parish School Board - S22	1,396,546	1,396,546
Livingston Parish School Board - S31	155,371	155,371
Livingston Parish School Board - S32A	319,430	319,430
Livingston Parish School Board - S33	192,446	192,446
Livingston Parish School Board - Construction	1,495,570	1,495,570
Livingston Parish School Board - Special Mtce	3,182,065	3,182,065
Livingston Parish School Board - Additional Mtce	3,263,889	3,263,889
Livingston Parish School Board - District No. 5	2,272,903	2,272,903
Livingston Parish Law Enforcement	5,050,391	5,050,391
Livingston Parish Law Enforcement - Special	4,795,837	4,795,837
Florida Parish Juvenile District	1,250,103	1,250,103
City of Denham Springs	294,531	294,531
Comite River District	110,056	110,056
Carter Plantation Community Development District - SBF	554	554
Carter Plantation Community Development District - SMF	19,600	19,600
Livingston Parish Council on Aging	859,150	859,150
Louisiana Tax Commission - BKN	683	683
Louisiana Tax Commission - PBS	4,130	4,130
Louisiana Forestry	21,104	21,104
Lien for City of Walker	9,874	9,874
Livingston Parish Clerk of Court	11,424	16,320
Interest Collected on Taxes	21,949	16,830
Total Current Taxes	\$ 50,798,918	\$ 50,798,695

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

The amount of Prior Year advalorem taxes collected and disbursed is as follows for the fiscal year ending June 30, 2014:

<u>Taxing District</u>	<u>Prior Year Taxes Collected</u>	<u>Prior Year Taxes Disbursed</u>
Livingston Parish Assessor	\$ 11,924	\$ 11,924
Livingston Gravity Drainage District No. 1	3,147	3,147
Livingston Fire Protection District No. 1	460	460
Livingston Fire Protection District No. 2	604	604
Livingston Fire Protection District No. 4	5,610	5,610
Livingston Fire Protection District No. 5	3,221	3,221
Livingston Fire Protection District No. 7	63	63
Livingston Fire Protection District No. 8	381	381
Livingston Fire Protection District No. 9	210	210
Livingston Fire Protection District No. 10	877	877
Livingston Fire Protection District No. 11	48	48
Livingston Fire Protection District No. 4 (User Fees)	4,448	4,448
Livingston Fire Protection District No. 7 (User Fees)	321	321
Livingston Fire Protection District No. 9 (User Fees)	576	576
Livingston Fire Protection District No. 11 (User Fees)	135	135
Livingston Parish Library	16,323	16,323
Livingston Parish Council	16,529	16,529
Livingston Recreation District No. 1	10	10
Livingston Recreation District No. 2	2,751	2,751
Livingston Recreation District No. 3	11,171	11,171
Livingston Recreation District No. 5	1,709	1,709
Livingston Parish School Board	53,489	53,489
Livingston Parish Law Enforcement	32,747	32,747
Florida Parish Juvenile District	4,202	4,202
City of Denham Springs	1,142	1,142
Comite River District	516	516
Livingston Parish Council on Aging	2,820	2,820
Louisiana Forestry	5	5
Livingston Parish Clerk of Court	48	48
Filing Fees, Cost and Interest	99,959	99,959
Total	\$ 275,446	\$ 275,446

Occupational License fees collected and disbursed are as follows for the fiscal year Ending June 30, 2014:

Gross Collections	\$ 945,929
Less Refunds	(550)
Net Collections	945,379
Less Distribution to Livingston Parish Council (at 85%)	(803,632)
Less Commission to Livingston Parish Sheriff (at 15%)	(141,747)
Balance Not Distributed	\$ -

There were no uncollected taxes at June 30, 2014, and all tax collections were disbursed to taxing districts at June 30, 2014, or held in escrow at fiscal year-end pending legal determination for distributions.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

16. Risk Management

The Sheriff is exposed to various risks of loss related to law enforcement liabilities: torts, theft, damage or destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the Sheriff maintains commercial insurance policies covering automobile liability, general liability, commercial crime, law enforcement, public official's liability, worker's compensation and employer's liability. There have been no significant reductions in insurance coverage for the current year or in the three prior years

17. Contingent Liabilities

At June 30, 2014, the Livingston Parish Sheriff is involved in several lawsuits and claims, which are either adequately covered by liability insurance or in the opinion of legal counsel, will not result in any liability to the Sheriff.

On February 28, 2012, the Livingston Parish Sheriff entered into a cooperative agreement with the Livingston Parish Council to facilitate construction of a new Courthouse Building to house court facilities, including offices of the Sheriff, and to provide additional funding, as may be needed to pay the revenue bond debt issued to construct the building. Parties to the cooperative endeavor agreement include the Livingston Parish Council, the Twenty-First Judicial District Court, the District Attorney of the Twenty-First Judicial District Court, the Livingston Parish Sheriff, and the Livingston Parish Clerk of Court. The indebtedness consists of Revenue Bonds, Series 2011, issued to the Livingston Parish Council in the amount of \$17,865,000, issued pursuant to a Trust Indenture dated September 1, 2011. Servicing of the debt is anticipated by funds collected for courthouse fees. The parties to the cooperative agreement have agreed that they will contribute proportionally, such funds as may be necessary to pay the bonded indebtedness as is comes due, in the event of a shortfall, to avoid default on the bond obligations. As of June 30, 2014, the Sheriff had also, per cooperative agreement, paid \$630,000 for supplement construction costs to house Sheriff personnel. Personnel were being relocated to the new Courthouse Building during December 2014.

18. Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's administration offices are located in the parish courthouse building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Livingston Parish Council. These costs are not included in the accompanying financial statements.

19. On-Behalf Payments for Fringe Benefits and Salaries

A portion of the salaries of the Sheriff's deputies are paid through a supplement from the State of Louisiana. These payments provide the deputies of the Sheriff with an additional \$500 per month, which is added to their base salary. For the fiscal year ended June 30, 2014, in accordance with GASB 24, the Sheriff recorded \$699,807, of on behalf payments as revenue and as an expenditure in the General Fund.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2014

20. Subsequent Events

These financial statements considered subsequent events through December 17, 2014, the date the financial statements were available to be issued. As noted in *Footnote 14 – Long-Term Debt*, on July 18, 2014, the Livingston Parish Sheriff issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at annual interest rate of 4.0% with interest installments due semi-annually and principal payments due annually, with the bonds maturing on April 1, 2024. The schedule of future debt payments is also included in *Footnote 14*. Also, pursuant to Governmental Standards Board (GASB) pronouncements, as detailed in *Footnote 1H – Long Term Debt*, the debt offering will require the expensing during July, 2014, of \$44,380 in bond issuance costs.

No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2014, other than disclosure of protested taxes claims and liabilities disclosed in *Footnote 17 - Contingent Liabilities*.

Required Supplemental Information (Part II)

Livingston Parish Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 9,800,000	\$ 9,806,500	\$ 10,027,243	\$ 220,743
Sales and Use	6,900,000	7,185,200	7,293,461	108,261
Intergovernmental				
Grants	300,000	198,600	314,646	116,046
Support of Prisoners	1,414,500	2,192,200	2,155,401	(36,799)
State Revenue Sharing	648,000	660,800	660,796	(4)
Service Contract Revenue	900,000	910,500	1,003,180	92,680
Fines, Forfeitures and Other Fees	2,853,000	3,319,700	3,278,690	(41,010)
Use of Money and Property	48,000	18,600	24,532	5,932
Miscellaneous	1,044,000	1,049,200	950,065	(99,135)
On Behalf Payments - State Supplemental Pay	576,000	701,000	699,807	(1,193)
Total Revenues	<u>24,483,500</u>	<u>26,042,300</u>	<u>26,407,821</u>	<u>365,521</u>
Expenditures				
Public Safety				
Personal Services and Related Benefits				
Salaries	15,480,000	12,264,200	12,114,064	150,136
Employee Benefits	3,960,000	6,744,500	6,725,690	18,810
Travel & Training	120,000	112,800	130,803	(18,003)
Operating Services	1,116,000	3,300,100	3,077,972	222,128
Professional Services	720,000	584,600	555,222	29,378
Materials and Supplies				
General	1,887,500	2,082,000	510,096	1,571,904
Prisoners	-	-	1,546,528	(1,546,528)
Vehicles	-	-	29,225	(29,225)
Other	-	8,200	16,236	(8,036)
Total Public Safety	<u>23,283,500</u>	<u>25,096,400</u>	<u>24,705,836</u>	<u>390,564</u>
Capital Outlays	<u>1,200,000</u>	<u>1,803,100</u>	<u>1,940,308</u>	<u>(137,208)</u>
Total Expenditures	<u>24,483,500</u>	<u>26,899,500</u>	<u>26,646,144</u>	<u>253,356</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>(857,200)</u>	<u>(238,323)</u>	<u>618,877</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	127,743	127,743
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>127,743</u>	<u>127,743</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (857,200)</u>	<u>(110,580)</u>	<u>\$ 746,620</u>
Fund Balances, Beginning			7,806,211	
Fund Balances, Ending			<u>\$ 7,695,631</u>	

See independent auditor's report.

Livingston Parish Sheriff
Notes to Budget Comparison Schedules
For the Year Ended June 30, 2014

Budgetary procedures applicable to the Livingston Parish Sheriff are defined in state law, Louisiana Revised Statutes 39:1301-1315. The Sheriff uses the following budget practices:

Proposed budgets are prepared on the modified accrual basis of accounting and published in the official journal at least ten days prior to the public hearing. Public hearings are held at the Livingston Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary. Budgets are established and controlled by the Sheriff at the object level of expenditures. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and one budget amendment. The Sheriff must adopt a budget each year for the general fund and each special revenue fund, if applicable. The Sheriff must prepare and submit the proposed budget for consideration not later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in the parish.

All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. Budgetary amendments involving the transfers of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Sheriff. The Sheriff adopts necessary budget amendments when actual operations are different from those anticipated in the original budget, and they are made available for public inspection.

Other Supplemental Information (Part III)

STATE OF LOUISIANA, PARISH OF LIVINGSTON

AFFIDAVIT

JASON ARD, Sheriff of Livingston Parish

BEFORE ME, the undersigned authority, personally came and appeared, JASON ARD, the sheriff of LIVINGSTON Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 21,945.39 is the amount of cash on hand in the tax collector account on June 30, 2014;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2013, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

[Handwritten signature]

Signature Sheriff of Livingston

SWORN to and subscribed before me, Notary, this 15th day of DECEMBER 2014, in my office in the Livingston, Louisiana.

[Handwritten signature] (Signature)

RONALD J MORSE, SR. (Print), # 042632

Notary Public PERPETUAL (Commission)

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Part I: Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unqualified.

Internal Control Over Financial Reporting:

Material Weakness(es) Identified: No

Significant Deficiency(ies) that are not considered to be
Material Weaknesses: No

Noncompliance Material to the Financial Statements: No

Federal Awards - None

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Part II: Findings which are required to be reported in accordance with generally accepted *Governmental Auditing Standards*:

A. Compliance Findings –

None.

B. Internal Control Findings -

None.

Part III: Findings and Questioned Costs for Federal Awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported.

Part IV: Management Letter Items:

None.

Livingston Parish Sheriff
Livingston, Louisiana

Schedule 4

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2014

Compliance Findings (Reported in Accordance with Government Auditing Standards)

There were no compliance findings.

Internal Control Findings (Reported in Accordance with Government Auditing Standards)

There were no internal control findings.

Internal Control and Compliance Material to Federal Awards

There were no findings related to federal awards.

Management Letter

No management findings.

Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2014

Compliance Findings (Reported in Accordance with Government Auditing Standards)

There were no compliance findings.

Internal Control Findings (Reported in Accordance with Government Auditing Standards)

There were no internal control findings.

Internal Control and Compliance Material to Federal Awards

There were no findings related to federal awards.

Management Letter

No management findings.

Bruce C. Harrell, CPA
Dale H. Jones, CPA
Kristi U. Bergeron, CPA
Jessica H. Jones, CPA
Brandy Westcott Garcia, CPA

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

To Livingston Parish Sheriff
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 financial statements of the governmental activities of the Livingston Parish Sheriff, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Livingston Parish Sheriff's basic financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To Livingston Parish Sheriff
Livingston, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

This report is intended solely for the information of management, federal awarding and pass-through entities and the Louisiana Legislative Auditor and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 17, 2014