

**WASHINGTON PARISH GOVERNMENT**  
**ANNUAL FINANCIAL REPORT**

*Year Ended December 31, 2019*

# WASHINGTON PARISH GOVERNMENT

## TABLE OF CONTENTS

December 31, 2019

	<b>PAGE</b>
INDEPENDENT AUDITORS' REPORT .....	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4-14
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):	
Statement of Net Position.....	16
Statement of Activities .....	17
FUND FINANCIAL STATEMENTS (FFS)	
GOVERNMENTAL FUNDS	
Balance Sheet .....	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
PROPRIETARY FUNDS	
Statement of Net Position.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	25
Statement of Cash Flows .....	26
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS .....	27-57
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund.....	59
Budgetary Comparison Schedule – Criminal Justice Sales Tax Fund.....	60

# WASHINGTON PARISH GOVERNMENT

## TABLE OF CONTENTS-CONTINUED

December 31, 2019

### REQUIRED SUPPLEMENTARY INFORMATION – Continued

Budgetary Comparison Schedule – Sales Tax Split .67% Fund .....	61
Budgetary Comparison Schedule – Parish Transportation Fund.....	62
Budgetary Comparison Schedule – Road Improvement Fund .....	63
Budgetary Comparison Schedule – Library Fund .....	64
Schedule of Changes in the Total OPEB Liability and Related Ratios and Notes to the Schedule .....	65
Schedule of Employer’s Proportionate Share of the Net Pension Liability .....	66
Schedule of Employer’s Pension Contributions .....	67

### OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS.....	69-70
Combining Balance Sheet .....	71-74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	75-78
Schedule of Compensation, Benefits, and Other Payments to Agency Head .....	79

### OTHER REPORTS

Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	81-82
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	83-84
Schedule of Expenditures of Federal Awards .....	85
Notes to the Schedule of Expenditures of Federal Awards .....	86
Schedule of Findings and Questioned Costs.....	87-88
Schedule of Prior Year Findings .....	89

## INDEPENDENT AUDITORS' REPORT

Washington Parish Government  
Franklinton, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Parish Government (the Parish), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Parish's primary government as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

The financial statements referred to above do not include financial data for the Parish's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units are indeterminable. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information is indeterminable.

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

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Parish as of December 31, 2019, or the changes in financial position thereof for the year then ended.

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

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Parish as of December 31, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Parish as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in NOTE 20 to the financial statements, effective December 31, 2019, the Washington Parish Government and the City of Bogalusa dissolved their Joint Venture transferring ownership of the Choctaw Road Landfill to the Washington Parish Government. The financial statements were prepared to reflect this transaction. Our opinion is not modified with respect to this matter.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information on pages 4

through 14 and 59 through 67, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements is required by the *Government 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, and 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 other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish's basic financial statements. The accompanying schedule of expenditures of federal awards, combining nonmajor fund financial statements, and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.

The schedule of expenditures of federal awards, the combining nonmajor fund financial statements, and schedule of compensation, benefits, and other payments to agency head, are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In our opinion, the schedule of expenditures of federal awards, the combining nonmajor fund financial statements, and schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have issued our report dated June 24, 2020, on our consideration of the Parish'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 or on 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 Parish's internal control over financial reporting and compliance.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana

June 24, 2020

# **WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS**

*For the Year Ended December 31, 2019*

As management of the Washington Parish Government, we offer readers of Washington Parish Government's financial statements this narrative overview and analysis of the financial activities of the Washington Parish Government for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

## **FINANCIAL HIGHLIGHTS**

- The assets of the Washington Parish Government exceeded its liabilities at the close of the most recent fiscal year by \$55,279,203 (net position). Of this amount, \$463,453 represents unrestricted net deficit, which is related to the Choctaw Road Landfill. The deficit is due to the increase in closure/post-closure care cost and the construction of a new cell (7).
- During 2019, the Washington Parish Government's total net position decreased \$1,071,645 related to a combination of factors involving the reclassification of the Parish's net equity in Choctaw Road Landfill upon dissolution of the Joint Venture, the net change in pension expense and other post-employment benefit expense, as required to be reported in accordance with GASB's No. 68 and 75, respectively.
- The Parish completed and recorded several capital projects, as further described, serving as an offset to these decreases in net position. The Washington Parish Department of Public Works road crews blacktopped 28.8 miles of Parish roads at a cost of \$772,498 during 2019. The Parish contracted 9.8 miles of asphalt overlay roads for resurfacing at a cost of \$858,276. Additionally, 3.68 miles of blacktop roadway was resurfaced with asphaltic surfacing funded by a Louisiana Community Development Block Grant totaling \$511,530. The Road Maintenance department added \$401,998 of new and used equipment to its fleet. The Parish completed an HVAC renovation of 2 cell blocks at the Parish Jail facility for a total cost of \$54,781, which was partially funded from a Governor's Office of Community Development (LGAP) grant. Renovations to a parish building for Animal Shelter Operations was completed at a total cost of \$250,368. The shelter opened to the public in July 2019.
- The Choctaw Road Landfill - On May 26, 2020, the City of Bogalusa and the Washington Parish Government solidified an agreement, effective December 31, 2019, in which the City of Bogalusa settled a considerable amount of its debt to the Landfill by offsetting the outstanding debt with its equity interest in the Joint Venture. The agreement transferred the City's 41.9% ownership in the Landfill to the Washington Parish Government, terminating the standing Joint Venture agreement between the parties and giving 100% ownership to the Parish. The two entities entered into an Intergovernmental Agreement (IGA) detailing the City's continued operations for garbage disposal at the Choctaw Road Landfill and settlement of amounts remaining due from the City, as further described:
  - For a term of ten (10) years, effective January 1, 2020 and ending December 31, 2029, the Parish and City agree that Bogalusa's residential solid waste, as well as the City of Bogalusa's solid waste, may be disposed of in the Choctaw Road Landfill at a rate of \$37.50 per ton for garbage, residential construction debris, sludge, tree limbs, yard trash and other noncommercial categories as historically provided to the residents of the City by the Choctaw Road Landfill. The rate per ton shall be adjusted annually

# WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2019

## FINANCIAL HIGHLIGHTS - Continued

beginning January 1, 2021 by the amount of the increase in the consumer price index for the prior calendar year, as published by the United States Government. These solid waste tonnage costs will be funded by the City's ad valorem tax dedicated to landfill operations.

- The IGA provides for settlement of the remaining agreed upon liability (\$336,744), from the annual excess of the City's dedicated millage over their current year solid waste tonnage cost for three next years. As per the IGA, the balance will be paid in full by March 31, 2024.
- At the close of the current fiscal year, the Washington Parish Government's funds reported combined fund balances of \$12,242,071, a decrease of \$606,905 in comparison with the prior year. The majority of this amount is restricted for specific purposes. See pg. 22 for additional detail on fund balances.
- At the end of the current fiscal year, unrestricted fund balance (total *unassigned* components of *fund balance*) for the general fund was \$870,705, or 32% of total general fund expenditures.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Washington Parish Government's basic financial statements. The Washington Parish Government's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Washington Parish Government's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all of the Washington Parish Government's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Washington Parish Government is improving or deteriorating.

The *Statement of Activities* presents information showing how the Washington Parish 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



# WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2019

## OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Both of the government-wide financial statements distinguish functions of the Washington Parish Government that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Washington Parish Government include general government, public safety, highways and streets, health and welfare, culture and recreation, sanitation and hurricane relief and restoration. The business-type activities of the Washington Parish Government consist of a revolving loan program funded by the United States Department of Agriculture.

The government-wide financial statements can be found on pages 15-17 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 Washington Parish Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Washington Parish Government can be divided into two categories: governmental funds and proprietary 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 assessing 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 impact 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 Washington Parish Government maintains seven major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for all major funds. Data from the other thirteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Nonmajor Governmental Funds section, under OTHER SUPPLEMENTARY INFORMATION of this report.

The Washington Parish Government adopts an annual appropriated budget for its general fund and each special revenue fund, as required by the Louisiana Local Government Budget Act. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with this budget.

# **WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

## **OVERVIEW OF THE FINANCIAL STATEMENTS - Continued**

The basic governmental fund financial statements can be found on pages 18-23 of this report.

**Proprietary Funds.** The Washington Parish Government maintains one type of proprietary funds, *Enterprise funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Washington Parish Government uses enterprise funds to account for its revolving loan and Choctaw Road landfill funds. The revolving loan fund is funded by the United States Department of Agriculture. The purpose of this fund is to assist individuals in the Parish with an additional source of funding for restricted business projects with the hope of aiding economic development in Washington Parish. The Choctaw Road Landfill Fund is a fund that accounts for the operations of the Choctaw Road Landfill, a solid waste disposal landfill.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire 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 27-57 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplemental information* concerning the Washington Parish Government's budgetary comparison information. Required supplemental information can be found on pages 58-67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information. Combining fund statements and schedules can be found on pages 71-78 of this report.

**WASHINGTON PARISH GOVERNMENT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**  
*For the Year Ended December 31, 2019*

**WASHINGTON PARISH GOVERNMENT'S NET POSITION**

A condensed statement of net position is presented below in Table A-I.

TABLE A-I

	Governmental Activities		Business-Type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Current assets	\$ 17,056,383	\$ 12,930,351	\$ 206,612	\$ 2,624,797	\$ 17,262,995	\$ 15,555,148
Capital Assets	37,658,647	40,698,058	-	3,317,608	37,658,647	44,015,666
<b>TOTAL ASSETS</b>	<u>54,715,030</u>	<u>53,628,409</u>	<u>206,612</u>	<u>5,942,405</u>	<u>54,921,642</u>	<u>59,570,814</u>
DEFERRED OUTFLOWS OF RESOURCES:						
	864,506	2,533,939	-	-	864,506	2,533,939
Current Liabilities	1,735,439	735,667	-	1,044,201	1,735,439	1,779,868
Non-current liabilities	698,374	3,627,887	-	1,263,999	698,374	4,891,886
<b>TOTAL LIABILITIES</b>	<u>2,433,813</u>	<u>4,363,554</u>	<u>-</u>	<u>2,308,200</u>	<u>2,433,813</u>	<u>6,671,754</u>
DEFERRED INFLOWS OF RESOURCES:						
	1,166,995	153,796	-	-	1,166,995	153,796
Net invested in capital assets	37,658,647	40,698,058	-	3,317,608	37,658,647	44,015,666
Restricted:						
Capital Projects	2,442,746	2,400,705	-	-	2,442,746	2,400,705
Health & Welfare	967,796	876,652	-	-	967,796	876,652
Solid waste disposal	3,879,203	722,243	-	-	3,879,203	722,243
Closure and post-closure	-	-	-	737,734	-	737,734
Highways & bridges	4,447,571	4,896,376	-	-	4,447,571	4,896,376
Other purposes	1,835,183	1,879,939	206,612	213,341	2,041,795	2,093,280
Unrestricted net position	747,582	171,025	-	(634,478)	747,582	(463,453)
<b>TOTAL NET POSITION</b>	<u>\$ 51,978,728</u>	<u>\$ 51,644,998</u>	<u>\$ 206,612</u>	<u>\$ 3,634,205</u>	<u>\$ 52,185,340</u>	<u>\$ 55,279,203</u>

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Washington Parish Government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,279,203, at the close of the most recent fiscal year.

By far, the largest portion of the Washington Parish Government's net position (80%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, roads, bridges and other infrastructure), less any related outstanding debt that was used to acquire those assets. The Washington Parish Government uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Washington Parish Government's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WASHINGTON PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS - Continued**

An additional portion of the Washington Parish Government's net position (20%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$463,453 represents unrestricted net deficit, which is related to the Choctaw Road Landfill, as discussed on pg. 4. At the end of the current fiscal year, the Washington Parish Government can report positive balances in all reported categories of ending net position for the governmental activities. The same situation held true for the prior fiscal year. The Washington Parish Government's overall net position decreased by \$1,071,645 during 2019, as discussed on pg. 4.

**CHANGES IN NET POSITION**

A condensed statement of changes in net position is presented below in Table A-2.

TABLE A-2

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 721,364	\$ 733,742	\$ -	\$ 514,955	\$ 721,364	\$ 1,248,697
Operating Grants & Contributions	1,374,988	1,584,656	-	-	1,374,988	1,584,656
Capital Grants & Contributions	2,598,765	1,002,218	-	796,302	2,598,765	1,798,520
General revenues:						
Property taxes	4,811,408	4,968,594	-	-	4,811,408	4,968,594
Sales taxes	6,357,862	6,709,393	-	-	6,357,862	6,709,393
Other taxes	10,107	9,044	-	-	10,107	9,044
Other	1,361,713	1,368,735	1,981	543,113	1,363,694	1,911,848
<b>TOTAL REVENUES</b>	<b>17,236,207</b>	<b>16,376,382</b>	<b>1,981</b>	<b>1,854,370</b>	<b>17,238,188</b>	<b>18,230,752</b>
<b>EXPENSES</b>						
General Government	4,076,233	4,789,943	-	-	4,076,233	4,789,943
Public Safety	1,336,087	1,797,012	-	-	1,336,087	1,797,012
Highway & streets	7,866,078	3,553,346	-	-	7,866,078	3,553,346
Health & welfare	706,557	800,660	-	-	706,557	800,660
Culture & recreation	792,536	1,095,793	-	-	792,536	1,095,793
Sanitation	560,277	-	-	-	560,277	-
Landfill	-	-	-	2,109,674	-	2,109,674
<b>TOTAL EXPENSES</b>	<b>15,337,768</b>	<b>12,036,754</b>	<b>-</b>	<b>2,109,674</b>	<b>15,337,768</b>	<b>14,146,428</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS AND SPECIAL ITEMS</b>	<b>1,898,439</b>	<b>4,339,628</b>	<b>1,981</b>	<b>(255,304)</b>	<b>1,900,420</b>	<b>4,084,324</b>
<b>TRANSFERS</b>	<b>-</b>	<b>(2,059,039)</b>	<b>-</b>	<b>2,059,039</b>	<b>-</b>	<b>-</b>
<b>SPECIAL ITEM</b>	<b>-</b>	<b>(2,614,319)</b>	<b>-</b>	<b>(2,541,650)</b>	<b>-</b>	<b>(5,155,969)</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>1,898,439</b>	<b>(333,730)</b>	<b>1,981</b>	<b>(737,915)</b>	<b>1,900,420</b>	<b>(1,071,645)</b>
<b>NET POSITION – BEGINNING</b>	<b>50,080,289</b>	<b>51,978,728</b>	<b>204,631</b>	<b>4,372,120</b>	<b>50,284,920</b>	<b>56,350,848</b>
<b>NET POSITION – ENDING</b>	<b>\$ 51,978,728</b>	<b>\$ 51,644,998</b>	<b>\$ 206,612</b>	<b>\$ 3,634,205</b>	<b>\$ 52,185,340</b>	<b>\$ 55,279,203</b>

**WASHINGTON PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

**CHANGES IN NET POSITION**

A condensed statement of changes in net position is presented below in Table A-2.

**TABLE A-2**

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 721,364	\$ 733,742	\$ -	\$ 514,955	\$ 721,364	\$ 1,248,697
Operating Grants & Contributions	1,374,988	1,584,656	-	-	1,374,988	1,584,656
Capital Grants & Contributions	2,598,765	1,002,218	-	796,302	2,598,765	1,798,520
General revenues:						
Property taxes	4,811,408	4,968,594	-	-	4,811,408	4,968,594
Sales taxes	6,357,862	6,709,393	-	-	6,357,862	6,709,393
Other taxes	10,107	9,044	-	-	10,107	9,044
Other	1,361,713	1,368,735	1,981	543,113	1,363,694	1,911,848
<b>TOTAL REVENUES</b>	<b>17,236,207</b>	<b>16,376,382</b>	<b>1,981</b>	<b>1,854,370</b>	<b>17,238,188</b>	<b>18,230,752</b>
<b>EXPENSES</b>						
General Government	4,076,233	4,789,943	-	-	4,076,233	4,789,943
Public Safety	1,336,087	1,797,012	-	-	1,336,087	1,797,012
Highway & streets	7,866,078	3,553,346	-	-	7,866,078	3,553,346
Health & welfare	706,557	800,660	-	-	706,557	800,660
Culture & recreation	792,536	1,095,793	-	-	792,536	1,095,793
Sanitation	560,277	-	-	-	560,277	-
Landfill	-	-	-	2,109,674	-	2,109,674
<b>TOTAL EXPENSES</b>	<b>15,337,768</b>	<b>12,036,754</b>	<b>-</b>	<b>2,109,674</b>	<b>15,337,768</b>	<b>14,146,428</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS AND SPECIAL ITEMS</b>	<b>1,898,439</b>	<b>4,339,628</b>	<b>1,981</b>	<b>(255,304)</b>	<b>1,900,420</b>	<b>4,084,324</b>
<b>TRANSFERS</b>	<b>-</b>	<b>(2,059,039)</b>	<b>-</b>	<b>2,059,039</b>	<b>-</b>	<b>-</b>
<b>SPECIAL ITEM</b>	<b>-</b>	<b>(2,614,319)</b>	<b>-</b>	<b>(2,541,650)</b>	<b>-</b>	<b>(5,155,969)</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>1,898,439</b>	<b>(333,730)</b>	<b>1,981</b>	<b>(737,915)</b>	<b>1,900,420</b>	<b>(1,071,645)</b>
<b>NET POSITION – BEGINNING</b>	<b>50,080,289</b>	<b>51,978,728</b>	<b>204,631</b>	<b>4,372,120</b>	<b>50,284,920</b>	<b>56,350,848</b>
<b>NET POSITION – ENDING</b>	<b>\$ 51,978,728</b>	<b>\$ 51,644,998</b>	<b>\$ 206,612</b>	<b>\$ 3,634,205</b>	<b>\$ 52,185,340</b>	<b>\$ 55,279,203</b>

# **WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

## **CHANGES IN NET POSITION - Continued**

Expenditure categories of each of Washington Parish Government's six largest programs, described as - (1) General government includes the funding of the legislative, executive and the administrative office of the Parish government, building permit office operations, community services along with the funding of the following state mandated expenses: Court System (Judges, District Attorney, Court Reporters, Jurors and Witnesses), Justice of the Peace, Clerk of Court, Registrar of Voters, Assessor, (2) Highways and streets including both routine maintenance and capital projects for roads, drainage, bridges and road related equipment, (3) Public safety including state mandated expenses for the Sheriff along with those pertaining to the Parish jail and expenditures pertaining to Constables and 4<sup>th</sup> Ward Marshall, (4) Health and welfare including funding of the administrative and operational expense of Health Unit facilities in Bogalusa and Franklinton, and state mandated expenses for the Coroner's office, (5) Culture and recreation including the administrative and operational expenses of both main branches and all smaller branches (located in various areas of the Parish) of the Library and the purchase, pre-construction and maintenance of the Recreation District #1, (6) Sanitation costs relating to the construction and operation of the landfill.

## **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

As noted earlier, the Washington Parish Government used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Washington Parish Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Washington Parish Government's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Washington Parish Government itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Washington Parish Government's Council.

The General Fund generated a surplus of revenues and other financing sources over expenditures and other financing uses of \$56,388, resulting in an ending fund balance of \$1,120,705.

At December 31, 2019, the Washington Parish Government's governmental funds reported combined fund balances of \$12,242,071, a decrease of \$606,905 in comparison with the prior year. The unassigned portion of the fund balance is \$870,705 of the total balance. \$11,119,866 is restricted for particular purposes, \$250,000 is committed for emergency and disaster response costs or capital projects and \$1,500 is nonspendable because it is not in spendable form. See Note 13 to the financial statements.

**WASHINGTON PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

TABLE A-3  
WASHINGTON PARISH GOVERNMENT FUND BALANCES

FUND NAME	FUND BALANCE		% OF TOTAL	
	2018	2019	2018	2019
General Fund	\$ 1,064,317	\$ 1,120,705	.0828	.0915
Parish Transportation Fund	4,421,305	4,896,376	.3441	.4000
Sales Tax Split .67% Fund	1,356,180	203,896	.1055	.0167
Criminal Justice Sales Tax Fund	77,425	122,956	.0060	.0100
Road Improvement Fund	2,442,534	2,400,421	.1901	.1961
Courthouse Maintenance Fund	21,744	14,030	.0017	.0011
Health Unit Maintenance Fund	962,015	876,652	.0749	.0716
Criminal Court Fund	37,374	44,488	.0029	.0036
Library Fund	1,704,551	1,754,860	.1327	.1433
Special Witness Fund	44,463	37,844	.0035	.0031
Sales Tax Split 1% Fund	495,093	518,347	.0385	.0423
Disaster Relief Fund	6,593	6,754	.0005	.0006
Criminal Jury Fund	40,057	52,206	.0030	.0043
Office of Homeland Security & Emergency Preparedness Fund	16,585	28,717	.0013	.0023
LCDBG Water Improvements Fund	10	10	.0001	.0001
LCDBG Fund	202	274	.0001	.0001
Recreation District # 1 Fund	158,528	163,535	.0123	.0133
<b>TOTAL</b>	<b>\$ 12,848,976</b>	<b>\$ 12,242,071</b>	<b>1.0000</b>	<b>1.0000</b>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

***Original budget compared to final budget.***

The 2019 Budget was prepared based on 2018 actual totals with slight projected increases. Sales tax revenues were estimated based on 2018 actual amounts; however, current year actual collections indicated a 2-5% increase over the prior year, thus revenues in the amended budget were increased. Ad valorem tax revenues were budgeted based on the 2018 millage report, adjusted for a 1% increase. The actual millage report from the Parish Assessor indicated a 3-5% increase in assessments, triggering a need to increase budgeted amounts. Completion of the animal shelter building allowed for operations to begin at a level greater than originally budgeted. Several funds beginning fund balances required adjustment for compliance.

***Final budget compared to actual results.*** The most significant differences between estimated revenues and actual revenues were as follows:

- Ad Valorem taxes were 6-7% more than expected.
- Funds received from the State and permit fee revenues were 7% greater than budgeted.

**WASHINGTON PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

**GENERAL FUND BUDGETARY HIGHLIGHTS - CONTINUED**

- Overall, expenditures were less than expected. The General Fund's expenditures were 1% less than expected, other funds expenditures were under amounts budgeted ranging from 2-13%. Sales Tax Split .67% Fund Other Financing Uses were over budget due to the transfer of funds for the construction of cell 7 at the Choctaw Road Landfill.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The Washington Parish Government's investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$40,698,058. This investment in capital assets includes land, buildings, equipment, vehicles, roads, bridges and culverts. The total increase in capital assets for the current fiscal year was approximately 3%.

TABLE A-4  
WASHINGTON PARISH GOVERNMENT'S CAPITAL ASSETS

	<u>2018</u>	<u>2019</u>	<u>Total Change 2018-2019</u>
Capital Assets Not Being Depreciated:			
Land	\$ 2,494,211	\$ 2,481,833	\$ (12,378)
Construction-in-progress	<u>2,454,540</u>	<u>55,640</u>	<u>(2,398,900)</u>
 TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	 <u>4,948,751</u>	 <u>2,537,473</u>	 <u>(2,411,278)</u>
 Other Capital Assets:			
Buildings	9,749,052	10,083,067	334,015
Equipment	8,150,401	8,237,132	86,731
Books	1,391,013	1,391,013	-
Asphalt roads	23,259,581	24,629,386	1,369,805
3-shot roads	9,424,427	10,011,408	586,981
Bridges and culverts	<u>23,438,569</u>	<u>28,583,599</u>	<u>5,145,030</u>
 TOTAL OTHER CAPITAL ASSETS	 <u>75,413,043</u>	 <u>82,935,605</u>	 <u>7,522,562</u>
 <b>TOTAL CAPITAL ASSETS</b>	 <u>\$ 80,361,794</u>	 <u>\$ 85,473,078</u>	 <u>\$ 5,111,284</u>

There was a net increase in capital assets in the amount of \$5,111,284 for the year ended December 31, 2019. Major capital asset events during the current fiscal year included the following:

- Blacktop (2 or 3 shot) surfacing of 28.8 miles of zipped up blacktop (17.6) and gravel (11.2) roads at a cost of \$772,498.
- Asphalt overlay contracted with Barriere Construction for 9.8 miles at a cost of \$858,276.



# **WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

*For the Year Ended December 31, 2019*

## **CAPITAL ASSET AND DEBT ADMINISTRATION - CONTINUED**

- Asphalt overlay, Louisiana Community Development Block Grant project of 3.68 miles at a cost of \$511,530.
- Completion of Hazard Mitigation Drainage Project converting 24 one span wooden bridges to engineered culverts at a cost of \$2,648,468.
- Louisiana Department of Transportation and Development, Off System Bridge Replacement of 2 bridges on Pleasant Hill Road and one on Lawrence Creek Road at a value of \$2,612,075.
- Building construction for Parish Animal Shelter at a cost of \$250,368.
- New and used road maintenance and construction equipment purchased at a cost of \$401,998.

Additional information on the Washington Parish Government's capital assets can be found in Note 8 on pages 44-45 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

All funds of the Washington Parish Government were budgeted based on the revenues and expenditures of 2019.

- Sales tax revenues were budgeted based on 2019 projected actual amounts, which included an increase of 3 - 5%.
- Ad valorem taxes were budgeted based on the 2019 assessor's millage report, with a 3% increase projected.
- Overall revenues were budgeted with a 2.4% increase over projected 2019 actual amounts.
- Hospitalization insurance premiums were renewed with a 9% rate increase. Parish administration will diligently search for alternative and cost saving mechanisms for employee medical insurance coverage.

The Parish has budgeted conservatively for 2020, continuing to monitor expenditures. Considering the increase in sales and ad valorem tax revenues and growth in our fund balances, we feel confident in a gradual rise in our financial stability.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Washington Parish Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 909 Pearl Street, Washington Parish Government, Franklinton, LA 70438, telephone number (985) 839-7825.

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF NET POSITION**  
December 31, 2019

Primary Government

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 7,994,849	\$ 476,057	\$ 8,470,906
Investments	1,113,255	-	1,113,255
Receivables	4,610,971	55,054	4,666,025
Prepays	-	16,417	16,417
Notes receivable	-	7,148	7,148
Internal balances	(825,772)	825,772	-
Due from other governments	37,048	718,084	755,132
Restricted investments	-	526,265	526,265
Capital assets:			
Land	2,481,833	15,000	2,496,833
Construction-in-progress	55,640	1,900,482	1,956,122
Other capital assets, net of depreciation	38,160,585	1,402,126	39,562,711
<b>TOTAL ASSETS</b>	<b>53,628,409</b>	<b>5,942,405</b>	<b>59,570,814</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in proportion and differences between contributions and proportionate share of contributions	11,149	-	11,149
Changes in assumptions related to pension	618,067	-	618,067
Changes in assumptions related to OPEB	395,799	-	395,799
Net difference between projected and actual investment earnings on pension plan investments	1,183,328	-	1,183,328
Contributions subsequent to the measurement date	325,596	-	325,596
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,533,939</b>	<b>-</b>	<b>2,533,939</b>
<b>LIABILITIES</b>			
Accounts payable	733,573	1,044,201	1,777,774
Due to other governments	2,094	-	2,094
Landfill closure and post-closure care costs	-	1,263,999	1,263,999
OPEB liability	1,037,321	-	1,037,321
Net Pension Liability	2,471,944	-	2,471,944
Long-term liabilities			
Portion due within one year	118,622	-	118,622
<b>TOTAL LIABILITIES</b>	<b>4,363,554</b>	<b>2,308,200</b>	<b>6,671,754</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	1,500	-	1,500
Changes in proportion and differences between contributions and proportionate share of contributions	1,699	-	1,699
Differences between expected and actual experience	150,597	-	150,597
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>153,796</b>	<b>-</b>	<b>153,796</b>
<b>NET POSITION</b>			
Net investment in capital assets	40,698,058	3,317,608	44,015,666
Restricted for:			
Capital projects	2,400,705	-	2,400,705
Health and welfare	876,652	-	876,652
Solid waste disposal	722,243	-	722,243
Closure and post-closure	-	737,734	737,734
Highways and bridges	4,896,376	-	4,896,376
Other purposes	1,879,939	213,341	2,093,280
Unrestricted	171,025	(634,478)	(463,453)
<b>TOTAL NET POSITION</b>	<b>\$ 51,644,998</b>	<b>\$ 3,634,205</b>	<b>\$ 55,279,203</b>

The accompanying notes are an integral part of this statement.

**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 4,789,943	\$ 724,981	\$ 503,158	\$ -	\$ (3,561,804)	\$ -	\$ (3,561,804)
Public Safety	1,797,012	-	26,881	567,961	(1,202,170)	-	(1,202,170)
Highways and Streets	3,553,346	-	721,136	434,257	(2,397,953)	-	(2,397,953)
Health and Welfare	800,660	-	244,043	-	(556,617)	-	(556,617)
Culture and Recreation	1,095,793	8,761	89,438	-	(997,594)	-	(997,594)
Total	<u>12,036,754</u>	<u>733,742</u>	<u>1,584,656</u>	<u>1,002,218</u>	<u>(8,716,138)</u>	<u>-</u>	<u>(8,716,138)</u>
Business-type Activities:							
Loan Program	-	-	-	-	-	-	-
Landfill	2,109,674	514,955	-	796,302	-	(798,417)	(798,417)
Total business-type activities	<u>2,109,674</u>	<u>514,955</u>	<u>-</u>	<u>796,302</u>	<u>-</u>	<u>(798,417)</u>	<u>(798,417)</u>
Total Primary Government	<u>\$ 14,146,428</u>	<u>\$ 1,248,697</u>	<u>\$ 1,584,656</u>	<u>\$ 1,798,520</u>	<u>(8,716,138)</u>	<u>(798,417)</u>	<u>(9,514,555)</u>
General Revenues and transfers:							
General Revenues:							
					4,968,594	-	4,968,594
					6,709,393	-	6,709,393
					196,856	-	196,856
					156,996	-	156,996
					2,487	-	2,487
					9,044	-	9,044
					186,178	-	186,178
					634,281	-	634,281
					36,502	25,286	61,788
					10,038	-	10,038
					-	517,827	517,827
					42,559	-	42,559
					102,838	-	102,838
					(2,059,039)	2,059,039	-
					(2,614,319)	(2,541,650)	(5,155,969)
					<u>8,382,408</u>	<u>60,502</u>	<u>8,442,910</u>
					(333,730)	(737,915)	(1,071,645)
					<u>51,978,728</u>	<u>4,372,120</u>	<u>56,350,848</u>
					<u>\$ 51,644,998</u>	<u>\$ 3,634,205</u>	<u>\$ 55,279,203</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS (FFS)**

**WASHINGTON PARISH GOVERNMENT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2019

	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash	\$ 7,643,587	\$ -	\$ -	\$ -	\$ -	\$ 131,605	\$ 219,657	\$ 7,994,849
Investments	-	-	205,976	-	-	318,166	589,113	1,113,255
Receivables	547,147	126,928	2,255,596	194,820	158,424	662,783	714,160	4,659,858
Due from other funds	-	100,657	2,522,532	941,748	2,291,850	662,762	518,656	7,038,205
Due from other governmental units	31,213	-	-	-	-	-	5,835	37,048
<b>TOTAL ASSETS</b>	<b>\$ 8,221,947</b>	<b>\$ 227,585</b>	<b>\$ 4,984,104</b>	<b>\$ 1,136,568</b>	<b>\$ 2,450,274</b>	<b>\$ 1,775,316</b>	<b>\$ 2,047,421</b>	<b>\$ 20,843,215</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 313,105	\$ 104,629	\$ 87,728	\$ 106,900	\$ 49,853	\$ 20,456	\$ 50,902	\$ 733,573
Due to other funds	6,788,137	-	-	825,772	-	-	250,068	7,863,977
Due to other governmental units	-	-	-	-	-	-	2,094	2,094
<b>TOTAL LIABILITIES</b>	<b>7,101,242</b>	<b>104,629</b>	<b>87,728</b>	<b>932,672</b>	<b>49,853</b>	<b>20,456</b>	<b>303,064</b>	<b>8,599,644</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	1,500	1,500
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>
<b>FUND BALANCES</b>								
Nonspendable:								
Not in spendable form	-	-	-	-	-	-	1,500	1,500
Restricted	-	122,956	4,896,376	203,896	2,400,421	1,754,860	1,741,357	11,119,866
Committed	250,000	-	-	-	-	-	-	250,000
Unassigned	870,705	-	-	-	-	-	-	870,705
<b>TOTAL FUND BALANCES</b>	<b>1,120,705</b>	<b>122,956</b>	<b>4,896,376</b>	<b>203,896</b>	<b>2,400,421</b>	<b>1,754,860</b>	<b>1,742,857</b>	<b>12,242,071</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,221,947</b>	<b>\$ 227,585</b>	<b>\$ 4,984,104</b>	<b>\$ 1,136,568</b>	<b>\$ 2,450,274</b>	<b>\$ 1,775,316</b>	<b>\$ 2,047,421</b>	<b>\$ 20,843,215</b>

**WASHINGTON PARISH GOVERNMENT**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
*December 31, 2019*

Total fund balances reported on the Balance Sheet of Governmental Funds	\$ 12,242,071
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	40,698,058
The net effect of transactions involving ad valorem taxes.	(48,887)
Other liabilities not due and payable in the current period.	(1,037,321)
Compensated absences for current period	(118,622)
In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to the pension plans, deferred outflows of resources and deferred inflows of resources are not recorded in governmental funds	
Net pension liability	(2,471,944)
Deferred outflows of resources:	
Change in assumptions related to pension	618,067
Change in assumptions related to OPEB	395,799
Contributions subsequent to the measurement date	325,596
Change in proportions	11,149
Net difference between projected and actual investment earnings on pension plan investments	1,183,328
Deferred inflows of resources:	
Differences between expected and actual experience	(150,597)
Change in proportions	(1,699)
Total net position of governmental activities	<u>\$ 51,644,998</u>

**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the Year Ended December 31, 2019*

	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes								
Ad valorem	\$ 555,703	\$ -	\$ 2,756,656	\$ -	\$ -	\$ 897,432	\$ 807,690	\$ 5,017,481
Sales	-	1,361,844	1,570,955	2,000,029	1,776,565	-	-	6,709,393
Other	3,993	-	5,051	-	-	-	-	9,044
Licenses and permits	634,281	-	-	-	-	-	-	634,281
Intergovernmental federal funds								
Federal grants	226,335	-	-	-	-	-	1,087,195	1,313,530
State funds								
Parish transportation funds	-	-	621,575	-	-	-	-	621,575
State revenue sharing	39,971	-	50,344	-	-	56,074	50,467	196,856
Other	621,188	-	-	-	-	51,825	26,881	699,894
Insurance proceeds	-	-	10,038	-	-	-	-	10,038
Fees, charges, etc.	471,826	-	-	-	-	19,184	76,664	567,674
Fines and penalties	250	-	-	-	-	3,740	157,057	161,047
Interest income	32,343	2,880	99,561	39,035	76,927	37,613	50,700	339,059
Other	8,700	12,796	59,385	-	-	21,288	669	102,838
<b>TOTAL REVENUES</b>	<b>2,594,590</b>	<b>1,377,520</b>	<b>5,173,565</b>	<b>2,039,064</b>	<b>1,853,492</b>	<b>1,087,156</b>	<b>2,257,323</b>	<b>16,382,710</b>
<b>EXPENDITURES</b>								
Current								
General government								
Legislative	206,659	-	-	-	-	-	-	206,659
Judicial	243,537	822,740	-	-	-	-	399,035	1,465,312
Executive	272,077	-	-	-	-	-	-	272,077
Elections	251,532	-	-	-	-	-	-	251,532
Finance and administrative	569,553	20,666	292,773	110,878	104,241	70,158	61,692	1,229,961
Other	587,099	-	-	-	-	-	-	587,099
Public Safety	296,210	606,083	-	-	-	-	234,834	1,137,127
Health and welfare	161,307	-	-	-	-	-	656,566	817,873
Highway and streets	-	-	4,229,940	-	-	-	-	4,229,940
Culture and recreation	33,211	-	-	-	-	966,689	674	1,000,574

*The accompanying notes are an integral part of this statement.*



**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended December 31, 2019**

	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
Capital outlay	67,517	-	253,160	-	1,791,364	-	1,121,250	3,233,291
<b>TOTAL EXPENDITURES</b>	<b>2,688,702</b>	<b>1,449,489</b>	<b>4,775,873</b>	<b>110,878</b>	<b>1,895,605</b>	<b>1,036,847</b>	<b>2,474,051</b>	<b>14,431,445</b>
Excess (deficiency) of revenues over expenditures	(94,112)	(71,969)	397,692	1,928,186	(42,113)	50,309	(216,728)	1,951,265
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	428,000	117,500	94,300	-	-	-	189,921	829,721
Operating transfers out	(277,500)	-	(16,921)	(2,581,339)	-	-	(13,000)	(2,888,760)
Dissolution of Joint Venture	-	-	-	(392,231)	-	-	-	(392,231)
Excess sales tax split with other government entities	-	-	-	(106,900)	-	-	-	(106,900)
Total other financing sources (uses)	150,500	117,500	77,379	(3,080,470)	-	-	176,921	(2,558,170)
Net change in fund balance	56,388	45,531	475,071	(1,152,284)	(42,113)	50,309	(39,807)	(606,905)
Fund balances, beginning	1,064,317	77,425	4,421,305	1,356,180	2,442,534	1,704,551	1,782,664	12,848,976
Fund balances, ending	<u>\$ 1,120,705</u>	<u>\$ 122,956</u>	<u>\$ 4,896,376</u>	<u>\$ 203,896</u>	<u>\$ 2,400,421</u>	<u>\$ 1,754,860</u>	<u>\$ 1,742,857</u>	<u>\$ 12,242,071</u>

**WASHINGTON PARISH GOVERNMENT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Year Ended December 31, 2019*

Net change in fund balances – total governmental funds \$ (606,905)

Amounts reported for *governmental activities* in the statement of activities are different because:

The net effect of transactions involving ad valorem taxes. (48,887)

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 3,039,411

Increase in post-employment benefits obligation is reported in the statement of activities but does not require the use of current resources and is not reported as an expenditure in governmental funds. (81,566)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans is not required to be reported in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net change in pension expense	(528,659)
Contributions from non-employer contributing entities	42,559

Special item that is not reported as an expenditure in the governmental funds. (2,614,319)

Some expenditures reported in the governmental funds are not reported as expenses in the statement of activities. 464,636

Change in net position of governmental activities \$ (333,730)

**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2019**

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 269,864	\$ 206,193	\$ 476,057
Tipping fees receivable (net of allowance of \$556)	55,054	-	55,054
Prepaid expenses	16,417	-	16,417
Due from other funds	825,772	-	825,772
<b>TOTAL CURRENT ASSETS</b>	<u>1,167,107</u>	<u>206,193</u>	<u>1,373,300</u>
<b>NONCURRENT ASSETS</b>			
Restricted assets - (Certificates of Deposit for landfill closure and post-closure care costs)	526,265	-	526,265
Due from City of Bogalusa	718,084	-	718,084
Notes receivable:			
Breedlove Farm, L.L.C.	-	872,187	872,187
Smith Creamery, L.L.C.	-	7,148	7,148
Less: allowance for doubtful accounts	-	(872,187)	(872,187)
<b>Net notes receivable</b>	<u>-</u>	<u>7,148</u>	<u>7,148</u>
Land	15,000	-	15,000
Construction-in-progress	1,900,482	-	1,900,482
Other capital assets, net of depreciation	1,402,126	-	1,402,126
<b>TOTAL ASSETS</b>	<u>5,729,064</u>	<u>213,341</u>	<u>5,942,405</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	1,044,201	-	1,044,201
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,044,201</u>	<u>-</u>	<u>1,044,201</u>
<b>NONCURRENT LIABILITIES</b>			
Landfill closure and post-closure care costs	1,263,999	-	1,263,999
<b>TOTAL LIABILITIES</b>	<u>2,308,200</u>	<u>-</u>	<u>2,308,200</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,317,608	-	3,317,608
Restricted for:			
Closure and post-closure	737,734	-	737,734
Other purposes	-	213,341	213,341
Unrestricted	(634,478)	-	(634,478)
<b>TOTAL NET POSITION</b>	<u>\$ 3,420,864</u>	<u>\$ 213,341</u>	<u>\$ 3,634,205</u>

The accompanying notes are an integral part of this statement.

**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the Year Ended December 31, 2019*

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
<b>OPERATING REVENUES</b>			
Tipping fees	\$ 491,772	\$ -	\$ 491,772
Recycling fees	23,183	-	23,183
Interest	-	6,729	6,729
<b>TOTAL OPERATING REVENUES</b>	<b>514,955</b>	<b>6,729</b>	<b>521,684</b>
<b>OPERATING EXPENSES</b>			
Landfill operations	1,306,027	-	1,306,027
Depreciation	157,047	-	157,047
Recycling	13,586	-	13,586
Engineering and testing	93,285	-	93,285
Salaries and benefits	312,055	-	312,055
Insurance	32,129	-	32,129
Utilities	20,150	-	20,150
Repairs and maintenance	124,451	-	124,451
Office supplies	3,983	-	3,983
Legal	860	-	860
Accounting and auditing	19,850	-	19,850
Conference and travel	1,545	-	1,545
Telephone	2,966	-	2,966
Permits	14,310	-	14,310
Postage	139	-	139
Bank fees	3,136	-	3,136
Vehicles	4,155	-	4,155
<b>TOTAL OPERATING EXPENSES</b>	<b>2,109,674</b>	<b>-</b>	<b>2,109,674</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,594,719)</b>	<b>6,729</b>	<b>(1,587,990)</b>
<b>NON-OPERATING REVENUES</b>			
Interest	18,557	-	18,557
Transfers in	2,059,039	-	2,059,039
Subsidies by participant:			
City of Bogalusa	517,827	-	517,827
<b>TOTAL NON-OPERATING REVENUES</b>	<b>2,595,423</b>	<b>-</b>	<b>2,595,423</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS &amp; SPECIAL ITEMS</b>			
	1,000,704	6,729	1,007,433
Capital contributions	796,302	-	796,302
Loss on dissolution of Joint Venture	(2,541,650)	-	(2,541,650)
<b>TOTAL CAPITAL CONTRIBUTIONS &amp; SPECIAL ITEMS</b>	<b>(1,745,348)</b>	<b>-</b>	<b>(1,745,348)</b>
<b>CHANGE IN NET POSITION</b>	<b>(744,644)</b>	<b>6,729</b>	<b>(737,915)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>4,165,508</b>	<b>206,612</b>	<b>4,372,120</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 3,420,864</b>	<b>\$ 213,341</b>	<b>\$ 3,634,205</b>

**WASHINGTON PARISH GOVERNMENT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2019

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 545,230	\$ -	\$ 545,230
Payments to suppliers	(637,243)	-	(637,243)
Principal received	-	243	243
Interest received	-	6,729	6,729
	(92,013)	6,972	(85,041)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed asset purchases	(1,945,987)	-	(1,945,987)
Net change in certificate of deposits	(91,279)	-	(91,279)
Capital contributions	1,039,108	-	1,039,108
Interest	13,041	-	13,041
	(985,117)	-	(985,117)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Participants' subsidies	1,199,364	-	1,199,364
	1,199,364	-	1,199,364
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	122,234	6,972	129,206
<b>BALANCES - BEGINNING OF YEAR</b>	147,630	199,221	346,851
<b>BALANCES - END OF YEAR</b>	\$ 269,864	\$ 206,193	\$ 476,057
<b>RECONCILIATIONS OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Net operating income (loss)	\$ (1,594,719)	\$ 6,729	\$ (1,587,990)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	157,047	-	157,047
Decrease in tipping fees receivable	30,275	-	30,275
Decrease in notes receivable	-	243	243
Increase in accounts payable and accrued expenses	912,819	-	912,819
Decrease in prepaid expenses	1,478	-	1,478
Increase in landfill closure and post-closure care costs	401,087	-	401,087
	(92,013)	6,972	(85,041)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ (92,013)</b>	<b>\$ 6,972</b>	<b>\$ (85,041)</b>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Transfer of non-cash debt for equity for dissolution of Joint Venture	\$ 2,541,650
---	--------------

**WASHINGTON PARISH GOVERNMENT**  
*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS*  
*As of and for the Year Ended December 31, 2019*

**INTRODUCTION**

The Washington Parish Government is the governing authority for Washington Parish and is a political subdivision of the State of Louisiana. On November 17, 1998, a home rule charter became effective which provides for a Parish President (elected Parish-wide) and seven elected Councilmen representing the various districts within the Parish.

Louisiana Revised Statute (R.S.) 33:1236 gives the Parish government various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of those is the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

Washington Parish covers an area of 676 square miles with a population of approximately 47,168. The Parish Government maintains 996 miles of roads, of which 290 miles are asphalt, 495 miles are 3-shot, and 211 miles are gravel.

As the governing authority of the Parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government (Parish Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61 and GASB Statement No. 80, establishes criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criteria includes:

- I. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Parish Government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the Parish Government.

## **WASHINGTON PARISH GOVERNMENT**

### **NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)**

*As of and for the Year Ended December 31, 2019*

#### **INTRODUCTION (Continued)**

2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent and provide the potential for specific financial benefits to, or impose specific financial burdens on the Parish Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Parish Government has determined that the following component units are part of the reporting entity. They have been blended because the Parish Government has operational responsibility for the component unit.

#### **BLENDED COMPONENT UNITS**

*The Criminal Court Fund* (the Fund) was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal court cases be transferred to the Parish treasurer and deposited into a special Criminal Court Fund account to be used for the expenses of the criminal court of the Parish. Expenditures are made from the Fund on motion of the district attorney and approval of the district judges or on motion of the district judges and approval of the district attorney. The Parish Government adopts a budget for the Fund. Separate financial statements are not issued for the Fund since it has been historically included as a fund within the Parish Government's financial statements.

*The Washington Parish Library* (the Library) was established by the Parish Government on November 14, 1945, under provisions of Louisiana Revised Statute 25:211. The Library is governed by a board of control, which is appointed by the Parish Government in accordance with the provisions of Louisiana Revised Statute 25:214. Although the Library is legally separate, the Parish Government approves its budget and levies and collects ad valorem taxes dedicated to the operation of the library system. Separate financial statements are not issued for the Library since it has been historically included as a fund within the Parish Government's financial statements.

*The Washington Parish Office of Emergency Preparedness* (OEP) was established by state law (R.S. 29:728) and is responsible for emergency mitigation, preparedness, response and recovery. The director is appointed by the Parish President and must be commissioned by the director of the state office of emergency preparedness. Operating expenses are partially reimbursed by the state office.

*The Washington Parish Recreation District # 1* (the District) was established by the Parish government on May 11, 2009 under provisions of Louisiana Revised Statute Chapter 11, Title 33 to be a body corporate in law and a political subdivision of the State of Louisiana. The District is governed by a commission, which is appointed by the Parish Government. The District obtains

## WASHINGTON PARISH GOVERNMENT

### NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

#### BLENDING COMPONENT UNITS (Continued)

funding from fundraisers and donations and covers all the costs of its expenses. Although the District is legally separate, separate financial statements are not issued for the District and the Parish Government is responsible for the accounting and financial reporting and will therefore include the District as a special revenue fund.

#### OTHER COMPONENT UNITS

The Parish Government has chosen to issue financial statements of the primary government (Parish Government) and blended component units only; therefore, none of the following listed component units are presented in the accompanying financial statements.

Component Unit	Fiscal Year End	Criteria Used
Riverside Medical Center-		
Hospital Service District No. 1	December 31	
Washington Parish Gas District No. 1	December 31	
Washington Parish Gas District No. 2	December 31	
Bogue Lusa Waterworks District	December 31	
Varnado Waterworks District	December 31	
Washington Parish Fire Protection District No. 1	December 31	
Washington Parish Fire Protection District No. 2	December 31	
Washington Parish Fire Protection District No. 3	December 31	
Washington Parish Fire Protection District No. 4	December 31	
Washington Parish Fire Protection District No. 5	December 31	
Washington Parish Fire Protection District No. 6	December 31	
Washington Parish Fire Protection District No. 7	December 31	
Washington Parish Fire Protection District No. 8	December 31	
Washington Parish Fire Protection District No. 9	December 31	
Washington Parish Communications District	December 31	
Washington Parish Tourism Commission	December 31	

Considered in the determination of component units of the reporting entity were the Washington Parish School Board and various municipalities in the Parish. It was determined that these governmental entities are not component units of the Washington Parish Government reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Washington Parish Government.

Primary government officials may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as (a) related organizations as follows:



## **WASHINGTON PARISH GOVERNMENT**

### **NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)**

*As of and for the Year Ended December 31, 2019*

#### **CHOCTAW ROAD LANDFILL**

The Parish Government was a participant with the City of Bogalusa (the City) to construct and operate the Choctaw Road Landfill, a solid waste disposal landfill, which operated as a joint venture during the year ended December 31, 2019. The Landfill was audited as a separate entity as of and for the year ended December 31, 2019 and has issued separate financial statements. The Joint Venture was opened in July of 1989. The agreed upon percentages of sharing of construction costs and operating losses were 58.1% for the Parish Government and 41.9% for the City. The Parish Government's share of costs was funded by a dedicated .67 percent sales tax in Washington Parish, excluding Ward 4. The City's share of costs was funded by an ad valorem tax.

In May 2020, an Act of Sale was signed transferring ownership of the Landfill to the Parish Government, thus dissolving the Joint Venture agreement between the Parish Government and the City of Bogalusa, effective December 31, 2019. This resulted in the recognition of a special item in the financial statements of \$2,541,650. The dissolution of the Joint Venture has been reflected in the financial statements as of December 31, 2019 and the Landfill has been shown as a proprietary fund as of December 31, 2019. See NOTE 20 for further explanation.

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements of the Washington Parish Government have been prepared in conformity with such principles.

The financial statements include the following:

- Fund financial statements changed to focus on the major funds.
- Financial statements prepared using full accrual accounting for all of the Parish's activities, including infrastructure.

#### **A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. 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.

# **WASHINGTON PARISH GOVERNMENT**

## *NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)*

*As of and for the Year Ended December 31, 2019*

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **A. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund 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. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

# WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Washington Parish Government reports the following major governmental funds:

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

The **Criminal Justice Sales Tax Fund** is a special revenue fund which accounts for the .33% sales and use tax dedicated solely for providing, maintaining, administering and operating services and facilities in the civil, juvenile and criminal justice systems mandated by state statute, approved by voters on October 19, 2013 for a period of 10 years, effective January 1, 2014.

The **Parish Transportation Fund** is a special revenue fund which accounts for constructing, improving, and maintaining public roads and bridges in the Parish. Financing is provided by the State of Louisiana Parish Transportation Fund, ad valorem taxes, and state revenue sharing funds. The 4.13 mill ad valorem tax expires in 2026 and the 10 mill ad valorem tax expires in 2021.

The **Sales Tax Split .67% Fund** is a special revenue fund which accounts for the rededication of a 1992 sales tax of 1% that was reduced to .67% by voters on April 6, 2002 that also rededicated the proceeds of the tax in excess of that needed for solid waste.

The **Road Improvement Fund** accounts for the constructing, improving and resurfacing of public roads and bridges in the Parish including incidental drainage and the acquisition of equipment thereof. The .33% sales and use tax is the primary source of funding as approved by Washington Parish Resolution 16-742.

The **Library Fund** was established by the Washington Parish Government on November 14, 1945, under provisions of Louisiana Revised Statute 25:211. The library provides citizens of the Parish access to library materials, computers, books, magazines, records, and films. The library is governed by a board of control, which is appointed by the Washington Parish Government in accordance with the provisions of Louisiana Revised Statute 21:214. The members of the board of control serve without pay. Primary financing is provided by ad valorem taxes and state revenue sharing. The ad valorem tax expires in 2026.

# **WASHINGTON PARISH GOVERNMENT**

*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019*

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Washington Parish Government reports the following major proprietary funds:

The **USDA Revolving Loan Fund** is an enterprise fund that accounts for a grant from the U.S. Department of Agriculture to establish a revolving loan fund to facilitate the development of small and emerging private business, industry, and related employment for improving the economy in rural communities.

The **Choctaw Road Landfill Fund** is an enterprise fund that accounts for the operations of the Choctaw Road Landfill, a solid waste disposal landfill.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

### **C. Deposits and Investments**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash and cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Parish may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana, mutual funds and bonds, debentures and notes or other evidence of indebtedness issued or guaranteed by Federal agencies provided such obligations are backed by full faith and credit of the United States of America.

### **D. Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal years is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activity's 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 following table states the Parish's thresholds for capitalizing capital assets and the estimated useful lives of capital assets:

#### *Governmental activities:*

<u>Description</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Lives</u>
Buildings	\$5,000	40 years
Building Improvements	\$5,000	5-20 years
Office Equipment	\$5,000	5 years
Other Equipment	\$5,000	7 years
Vehicles	\$5,000	5-7 years
Heavy Equipment	\$5,000	10-15 years
Infrastructure:		
Roads	\$25,000	15-20 years
Bridges	\$25,000	15-70 years

#### *Business-type activities:*

<u>Description</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Lives</u>
Landfill property	\$1,000	46.75 years
Cells and land work	\$1,000	6-20 years
Buildings/drop off facility	\$1,000	34-45 years
Equipment	\$1,000	5-15 years

All capital assets, other than land, are depreciated using the straight-line method. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Bridges were valued using estimated historical cost. The Louisiana Department of Transportation and Development maintains a listing of Parish Bridges that includes the construction date and estimated replacement cost. Using this list, along with the consumer price index, historical cost was estimated by Parish Government's Engineer.

# WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Capital Assets (Continued)

The Parish began the majority of the reconstruction of Parish roads after the voters of Washington Parish approved the following additional taxes:

- 10 mill ad valorem tax
- 1% sales tax (unincorporated areas of the Parish)
- .33% sales tax (Parish wide)

### F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds.

### G. Compensated Absences

The Parish adopted a vacation & sick leave policy in 1986. Vacation paid is earned the year prior to it being taken. Vacation is earned by the number of years an employee has been with the Parish. In order for an employee to take vacation time the employee must have one year of service with the Parish.

	<u>8 hour days</u>
1-2 years	5 days
3-10 years	10 days
11-15 years	15 days
16 years & greater	20 days

Employees are allowed to carryover up to 80 hours of vacation leave, under a use or lose assumption; however, an employee may be paid unused vacation time upon retirement.

Sick leave accrues at one day per month with a maximum accumulation of 60 days and is not paid upon termination, but may be paid out at retirement. Upon application for retirement by an employee who has served the Parish for 20 years or more, the employee may be paid accrued sick leave not to exceed 72 days.

Employees may opt to convert any accumulated, unused and unpaid sick or annual leave to additional retirement benefit credit upon application for normal retirement with the Parochial Employees' Retirement System of Louisiana.

**WASHINGTON PARISH GOVERNMENT**  
*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)*  
*As of and for the Year Ended December 31, 2019*

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Long-Term Liabilities**

In the government-wide financial statements, and the propriety fund types in the fund financial statements, long-term liabilities are reported as liabilities.

**I. Fund Equity**

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable Fund Balances – 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.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action by the Parish Council ordinance or resolution.
4. Assigned Fund Balance – amounts that are constrained by the Parish’s intent that they will be used for specific purposes.
5. Unassigned Fund Balance – all amounts not included in the other spendable classifications.

The Parish considers restricted fund balances spent for governmental expenditures first when both restricted and unrestricted resources are available. The Parish also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

**J. 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.

# **WASHINGTON PARISH GOVERNMENT**

## **NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)**

*As of and for the Year Ended December 31, 2019*

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **K. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

#### **L. Estimates**

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

#### **M. Sales Taxes Changes**

On September 27, 1986 the voters of Washington Parish outside the corporate limits of the City of Bogalusa approved for an indefinite period of time, a 1% sales tax. The proceeds of the sales tax, after administrative expenses, were dedicated to the costs of acquiring, operating, and maintaining solid waste disposal facilities.

On April 11, 1992 the voters decided to rededicate and reallocate the above-mentioned sales tax so that the proceeds in excess of those needed for the solid waste disposal facilities would go to:

1. 45% to pay the costs of services which the Parish is legally obligated to pay under the laws of Louisiana;
2. 44.14% to be placed in the Parish Transportation Fund to be used for constructing, maintaining and improving public roads, highways and bridges in the Parish, to the extent that such projects qualify as allowable Parish Transportation Fund projects;
3. 9.72% to be used for constructing, maintaining and improving public roads, highways and bridges, for constructing, maintaining and improving drainage facilities and for economic development in the Town of Franklinton (provided that for five years after the effective date of this rededication, 80% of the portion described in this part (3) shall be used for economic development);



**WASHINGTON PARISH GOVERNMENT**  
 NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
 As of and for the Year Ended December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Sales Taxes Changes (Continued)**

4. 0.57% to be used for constructing, maintaining and improving public roads, highways and bridges in the Village of Angie; and
5. 0.57% to be used for constructing, maintaining and improving public roads, highways and bridges in the Village of Varnado.

These tax proceeds were recorded in the Sales Tax Split 1% Fund until 2002, at which time the voters reduced the tax to .67% which is now recorded in a separate fund. The remaining fund balance of the 1% fund is restricted for sanitation and other state mandated costs. The fund only records interest income on investments as revenues and transfers out for state mandated costs.

On April 6, 2002 the voters decided to reduce the 1.00% sales tax, Parish-wide except Bogalusa, to .67% and rededicate the proceeds of the tax in excess of that needed for solid waste disposal facilities as follows:

- 68% for cost of services, Parish is legally obligated to pay,
- 15% for Parish roads and bridges,
- 15% to the Town of Franklinton,
- 1% to the Village of Angie, and
- 1% to the Village of Varnado.

Washington Parish Government Collections on Behalf of Other Taxing Authorities

	<u>Annual Totals – 2019 Tax Period</u>	
	<u>Total</u>	<u>Final</u>
	<u>Collections</u>	<u>Distribution</u>
Town of Franklinton (15%)	\$ 94,300	\$ 94,300
Village of Angie (1%)	6,300	6,300
Village of Varnado (1%)	<u>6,300</u>	<u>6,300</u>
Totals	<u>\$ 106,900</u>	<u>\$ 106,900</u>

The Parish does not charge a collection cost on taxes collected on behalf of other taxing authorities.

# **WASHINGTON PARISH GOVERNMENT**

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **M. Sales Taxes Changes (Continued)**

On April 6, 2002 the voters, also, approved a Parish-wide .33% sales and use tax dedicated solely for constructing, improving, maintaining and resurfacing Parish roads and bridges, including incidental drainage and the acquisitions of equipment thereof. The tax was levied beginning July 1, 2002. On November 5, 2002, the voters approved a 1% sales and use tax for all unincorporated areas of the Parish dedicated solely for constructing, improving, maintaining and resurfacing Parish roads and bridges, including incidental drainage and the acquisitions of equipment thereof. The tax was levied beginning January 1, 2003.

On October 19, 2013, the voters approved a .33% sales and use tax dedicated solely for providing, maintaining, administering and operating services and facilities in the civil, juvenile and criminal justice systems mandated by state statute, for a period of ten (10) years. The tax was levied beginning January 1, 2014.

### **N. Intangible Assets**

Intangible assets include easements, computer software, patents, copyrights, trademarks and goodwill. The Parish records reportable intangible assets that meet the capitalization threshold for intangible assets in accordance with Governmental Accounting Standards Board (GASB) Statement No. 51 "Accounting and Financial Reporting for Intangible Assets".

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The Parish follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The President submits to the Council a proposed operating budget at least sixty days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and total anticipated revenues.
2. At the meeting of the Council at which the operating budget is submitted, the Council orders a public hearing.
3. At least ten days prior to the date of such hearing the Council publishes in the official journal a general summary of the proposed budget.
4. The budget is adopted not later than 30 days before the end of the fiscal year.
5. At any time during the year the President may transfer part or all of any unencumbered appropriation within programs, except that no transfer can be made to or from the salary account unless approved by the Council by ordinance.

# WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

6. Every appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended or encumbered.

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended from time to time by the Parish Council.

## 3. LEVIED TAXES

The following is a listing of levied millages for ad valorem taxes:

	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide Taxes:		
General Fund:		
Inside	1.85	Indefinite
Outside	3.70	Indefinite
Special Revenue Funds:		
Library	4.60	2026
Parish Transportation	4.13	2026
Road Improvement	10.00	2021
Courthouse Maintenance	1.03	2026
Health Unit Maintenance	<u>3.11</u>	2026
	<b><u>28.42</u></b>	

## 4. CASH AND INVESTMENTS

### Cash

At December 31, 2019, the Parish Government had cash and cash equivalents (book balances) totaling \$8,470,906 as follows:

Interest-bearing demand deposits	\$ 8,470,806
Petty cash	<u>100</u>
Total	<u>\$ 8,470,906</u>

# WASHINGTON PARISH GOVERNMENT

## NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

### 4. CASH AND INVESTMENTS (Continued)

These 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 December 31, 2019, the Parish Government had \$9,231,751 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$12,985,887 pledged securities.

Even though the pledged securities are considered uncollateralized, (State Law R.S. 39:1229) imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Parish Government that the fiscal agent has failed to pay deposited funds upon demand.

#### *Investments*

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Parish will be able to recover the value of its investments or collateral securities that are in the possession of an outside party investment. The Parish investment policy requires that all repurchase agreement investments be fully collateralized and held by the counterparty's trust department or agent in the Parish's name. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission. At year-end, the Parish investments were not exposed to any custodial credit risk.

Whitney – Certificates of Deposits	\$	956,909
Resource Bank:		
Certificates of Deposits		158,484
Cash held in Money Market Investment		97,672
Stiflel, Nicolaus & Co, Inc.:		
U.S. Government Agencies		414,127
Cash held in Money Market Investment		<u>12,328</u>
Total	\$	<u>1,639,520</u>

*Interest Rate Risk* - Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Parish's investment policy limits interest rate risk by generally limiting maturities of its investments to one year or less.

## WASHINGTON PARISH GOVERNMENT

### NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

#### 4. CASH AND INVESTMENTS (Continued)

*Credit Risk and Concentration of Credit Risk* - The credit risk of investments is the risk that an issuer or other counterparty will not meet its obligations. This credit risk is measured by credit quality ratings as described by ratings agencies such as Standard & Poor's (S&P) and Moody's. The concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). The Parish's investment policy does not place a limit on the amount the Parish may invest in any one issuer.

The following table illustrates the Parish's investment exposure to credit risk as of December 31, 2019:

<u>S&amp;P RATING</u>	<u>FAIR VALUE</u>
AAA	\$ 414,127

#### 5. RECEIVABLES

##### *Governmental Activities*

The receivables of \$4,610,971 at December 31, 2019, were as follows:

Class of Receivable	Governmental Activities							Total
	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	Library Fund	Other Governmental Funds	
Taxes:								
Ad Valorem Sales and Use	\$ 398,700	\$ -	\$ 2,009,963	\$ -	\$ -	\$ 654,333	\$ 588,899	\$ 3,651,895
Intergovernmental:								
State	104,448	-	49,692	-	-	-	93,455	247,595
Local	37,102	6,353	9,640	-	-	-	24,201	77,296
<b>TOTAL</b>	<u>\$ 540,250</u>	<u>\$ 126,928</u>	<u>\$ 2,229,661</u>	<u>\$ 194,820</u>	<u>\$ 158,424</u>	<u>\$ 654,333</u>	<u>\$ 706,555</u>	<u>\$ 4,610,971</u>

The Parish uses the direct write-off method to write off the majority of general uncollectible accounts receivable. This method approximates methods in accordance with generally accepted accounting principles.

##### *Business-type Activities*

Accounts receivable consists of one type of receivable. Tipping fees (landfill use fees) totaling \$55,610 represent fees billed through December 31, 2019, but not yet collected. The allowance for doubtful accounts on these receivables at December 31, 2019 was \$556.

# WASHINGTON PARISH GOVERNMENT

## NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

### 6. NOTES RECEIVABLE

In 2002, the Parish received a Federal grant of \$975,000 to establish a revolving loan fund to businesses to improve the economy in rural parts of the Parish. The entire \$975,000 was loaned to Richard and Penny Breedlove Farm, L.L.C. on October 18, 2002, at an interest rate of 2.75%. The Breedlove's were to repay the loan in 120 monthly payments of \$9,320 including interest. Collection of the loan has become doubtful. In 2006 the property was seized in foreclosure proceedings. In 2008, all movable and immovable property was transferred to the Washington Parish Government. Currently, the Parish is in the process of selling the property.

Notes receivable, December 31, 2019:

Breedlove Farm, L.L.C.	\$ 872,187
Smith Creamery, L.L.C.	7,148
Allowance for doubtful account	<u>(872,187)</u>
Notes receivable, net of allowance for doubtful account	<u>\$ 7,148</u>

### 7. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Washington Parish Government to place a final cover on the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the Landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the Landfill no longer accepts waste. The recognition of these Landfill closure and post-closure care costs is based on the amount the Landfill used during the year.

The estimated total current cost liability for landfill closure and post-closure care costs is \$2,432,990 as of December 31, 2019. It is estimated that \$979,110 will be recognized as closure costs, which is based on 63.10% usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate, and the related estimated liability for landfill closure and post-closure costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations. The remaining \$1,453,880 is the estimated liability for post-closure care costs. The estimated total current cost liability for landfill closure and post-closure care costs, after adjusting for present worth, is \$2,003,117 as of December 31, 2019. However, the actual costs of closure and post-closure care may be higher due to inflation, in excess of the assumed rate of 1%, over the 30-year post-closure period, changes in technology, or changes in landfill laws and regulations.

In addition, total closure and post-closure costs, as well as estimates of percentage usage of the Landfill, will change as any additional cells are permitted to accept additional waste.

There was an increase in costs between the end of 2018 and the end of 2019. The increase in costs can be attributed to the construction of Cell 7 and expansion of Cell 6.

## WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

### 7. CLOSURE AND POST-CLOSURE CARE COSTS - Continued

Cumulative capacity used is defined as the number of years the Landfill has actually been operating under the permit issued by the LDEQ. Total estimated capacity is defined as the life of the entire property as stated in the current permit issued by LDEQ.

The estimated total current costs of the Landfill are recognized as an expense and as a liability in each period that the Landfill accepts solid waste. The current-period amount was based on the following formula:

$$\begin{array}{rcccl} \text{Estimated total} & & & & \\ \text{current costs} & \times & \frac{\text{Cumulative}}{\text{Total estimated}} & - & \text{Amount previously} \\ & & \frac{\text{capacity used}}{\text{capacity}} & & \text{recognized} \end{array}$$

Expressed in numbers, the formula produces a benefit for 2019 as follows:

$$\$2,003,117 \times \frac{29.5 \text{ yrs.}}{46.75 \text{ yrs.}} = \$1,263,999 - 862,912 = \$401,087$$

At December 31, 2019, the Landfill had invested \$526,265 in certificates of deposit for landfill closure and post-closure care costs. Further, the Washington Parish Council passed a resolution on April 14, 2003, to add 1/30 of the closure and post-closure care costs at December 31st of each year to the certificate of deposit for the next 30 years.

### 8. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2019:

*Business-type Activities:*

	Balance at 01/01/19	Additions	Deletions	Balance at 12/31/19
Capital assets not being depreciated				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Construction in progress	-	1,900,482	-	1,900,482
	<u>15,000</u>	<u>1,900,482</u>	<u>-</u>	<u>1,915,482</u>
Other Capital Assets				
Land	292,712	-	-	292,712
Buildings	233,376	-	-	233,376
Cells and land work	6,036,676	-	-	6,036,676
Drop off facility	185,575	-	-	185,575
Equipment	438,621	45,505	-	484,126
	<u>7,186,960</u>	<u>45,505</u>	<u>-</u>	<u>7,232,465</u>
TOTAL CAPITAL ASSETS	7,201,960	1,945,987	-	9,147,947
ACCUMULATED DEPRECIATION	<u>(5,673,292)</u>	<u>(157,047)</u>	<u>-</u>	<u>(5,830,339)</u>
TOTAL CAPITAL ASSETS, NET	<u>\$ 1,528,668</u>	<u>\$ 1,788,940</u>	<u>\$ -</u>	<u>\$ 3,317,608</u>

## WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

### 8. CAPITAL ASSETS (Continued)

#### Governmental Activities

	<u>Balance</u>		<u>Balance</u>
	<u>12/31/18</u>	<u>Increases</u>	<u>12/31/19</u>
		<u>Decreases</u>	
Governmental Activities:			
Capital assets not being depreciated:			
Land	\$ 2,494,211	\$ 446	\$ (12,824)
Construction in progress	<u>2,454,540</u>	<u>54,297</u>	<u>(2,453,197)</u>
			<u>55,640</u>
Total capital assets not being depreciated	4,948,751	54,743	(2,466,021)
			2,537,473
Other capital assets:			
Buildings	9,749,052	334,015	-
Equipment	8,150,401	401,998	(315,267)
Books	1,391,013	-	-
Asphalt roads	23,259,581	1,369,805	-
3-shot roads	9,424,427	772,498	(185,517)
Bridges and culverts	<u>23,438,569</u>	<u>5,281,611</u>	<u>(136,581)</u>
	<u>75,413,043</u>	<u>8,159,927</u>	<u>(637,365)</u>
			82,935,605
Less accumulated depreciation for:			
Buildings	(5,538,166)	(266,390)	-
Equipment	(5,592,154)	(376,162)	305,667
Books	(1,391,013)	-	-
Asphalt roads	(18,862,106)	(893,935)	-
3-shot roads	(3,736,569)	(450,207)	185,517
Bridges and culverts	<u>(7,583,139)</u>	<u>(674,894)</u>	<u>98,531</u>
			<u>(8,159,502)</u>
Total accumulated depreciation	<u>(42,703,147)</u>	<u>(2,661,588)</u>	<u>589,715</u>
Other capital assets, net	<u>32,709,896</u>	<u>5,498,339</u>	<u>(47,650)</u>
			<u>38,160,585</u>
Totals	<u>\$ 37,658,647</u>	<u>\$ 5,553,082</u>	<u>\$ (2,513,671)</u>
			<u>\$ 40,698,058</u>

Depreciation expense of \$2,661,588 for the year ended December 31, 2019, was charged to the following governmental functions:

General government	\$ 65,423
Public safety	146,705
Highways and streets	2,293,370
Health and welfare	60,871
Culture and recreation	95,219
	<u>\$ 2,661,588</u>



**WASHINGTON PARISH GOVERNMENT**

*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)*

*As of and for the Year Ended December 31, 2019*

**8. CAPITAL ASSETS (Continued)**

The State of Louisiana through their Off-System Bridge Replacement Program, replaced 2 bridges on Pleasant Hill Road and one bridge on Lawrence Creek Road at a cost of \$2,612,075 that were placed in service and accepted by the Parish Council during the year ended December 31, 2019.

**9. INTERFUND TRANSFERS**

Details about interfund transfers from other funds during 2019 follow:

	General Fund	Parish Transportation Fund	Transfers In: Criminal Justice Sales Tax Fund	Nonmajor Governmental Funds	Choctaw Road Landfill - Enterprise Fund	Total
Transfers Out:						
General Fund	\$ -	\$ -	\$ 117,500	\$ 160,000	\$ -	\$ 277,500
Parish Transportation Fund	-	-	-	16,921	-	16,921
Sales Tax Split .67 Fund	428,000	94,300	-	-	2,059,039	2,581,339
Nonmajor Governmental Funds	-	-	-	13,000	-	13,000
<b>TOTAL</b>	<u>\$ 428,000</u>	<u>\$ 94,300</u>	<u>\$ 117,500</u>	<u>\$ 189,921</u>	<u>\$ 2,059,039</u>	<u>\$ 2,888,760</u>

Transfers are used to 1) move revenues from the fund for sanitation and other state mandated costs, 2) move revenues from the general fund, with collection authorization, to the fund accounting for the activity (Parish government mandated responsibility), 3) move funds to the Road Improvement Fund to finance road maintenance costs in accordance with budgetary authorizations.

**10. ON-BEHALF PAYMENTS**

GASB Statement No. 24 establishes accounting and financial reporting standards for passthrough grants and on-behalf payments for fringe benefits and salaries. During the year 2019, the state paid salaries of \$208,591 directly to Parish Government employees on behalf of Parish Government. This amount has been included in the financial statements in intergovernmental revenues and salaries expenditures.

# WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

## 11. CHANGES IN GENERAL LONG-TERM LIABILITIES

### *Governmental Activities*

The following is a summary of the long-term liability transactions:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19	Current Portion
Compensated absences	\$ 138,418	\$ -	\$ (19,796)	\$ 118,622	\$ 118,622
TOTAL	\$ 138,418	\$ -	\$ (19,796)	\$ 118,622	\$ 118,622

### *Business-type Activities*

The Choctaw Road Landfill Fund has \$22,688 accrued for compensated absences as of December 31, 2019 which is recorded in accounts payable and accrued expenses.

## 12. PENSION PLAN

Substantially all employees of the Parish are members of the Parochial Employees' Retirement System (PERS).

### ***General Information about the Pension Plan***

Plan Description – Employees of the Parish are eligible for participation in the Parochial Employees' Retirement System of Louisiana (the "System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 205 of the 1952 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at [www.persla.org](http://www.persla.org). The report may also be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.50% of their annual pay. The Parish's contractually required contribution rate was 11.50% for the period ended December 31, 2019.

## **WASHINGTON PARISH GOVERNMENT**

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

### **12. PENSION PLAN (Continued)**

#### ***General Information about the Pension Plan (continued)***

Contributions to the System from the Parish were \$325,596 for the year ended December 31, 2019.

Benefits Provided – The System provides retirement, disability, and death benefits. Retirement benefits are determined as 3.0% of the employee's final compensation multiplied by the employee's years of creditable service. Employees hired prior to January 1, 2007 who retire at or after age 65 with at least 7 years of creditable service, age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average compensation multiplied by his/her years of creditable service. Employees hired after January 1, 2007 who retire at or after age 67 with at least 7 years of creditable service, age 62 with at least 10 years of creditable service, or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average compensation multiplied by his/her years of creditable service. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

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

At December 31, 2019, the Parish reported a liability of \$2,471,944 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Parish's proportion of the net pension liability was based on a projection of the Parish's December 31, 2019 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the Parish's proportion was 0.556950%, which was an increase of 0.028265% from its proportion measured as of December 31, 2017. For the year ended December 31, 2019, the Parish recognized pension expense of \$854,255. At December 31, 2019, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

### 12. PENSION PLAN (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 150,597
Changes of assumptions	618,067	-
Changes in proportion	11,149	1,699
Net difference between projected and actual investment earnings on pension plan investments	1,183,328	-
Contributions subsequent to the measurement date	325,596	-
	\$ 2,138,140	\$ 152,296

\$325,596 is reported as deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ended:</u>	
December 31, 2020	\$ 570,328
December 31, 2021	311,672
December 31, 2022	255,513
December 31, 2023	522,735

Actuarial Assumptions - The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.40%
Projected Salary Increases:	4.75% (2.40% Inflation, 2.35% Merit)
Investment Rate of Return:	6.50%, net of investment expense, including inflation

Mortality Rate: Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

## WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

### 12. PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35.00%	1.22%
Equity	52.00%	3.45%
Alternatives	11.00%	0.65%
Real Assets	<u>2.00%</u>	<u>0.11%</u>
Total	100.00%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

**WASHINGTON PARISH GOVERNMENT**

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

**12. PENSION PLAN (Continued)**

Mortality Rate - The mortality rate assumption used in the December 31, 2018, valuation was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity of the Parish’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the Parish’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Parish’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1.0% Increase <u>(7.50%)</u>
The Parish’s Proportionate Share of the Net Pension Liability	\$ 5,249,746	\$ 2,471,944	\$ 149,943

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of December 31, 2019 the Parish had a payable of \$195,656 to the Pension Plan.

## WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

### 13. FUND BALANCES

#### Governmental Funds:

Description:	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Funds	Capital Projects Fund		
Fund Balances:					
Nonspendable:	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500
Committed for emergency and disaster response	250,000	-	-	-	250,000
Restricted for:					
Sales taxes	-	326,852	-	-	326,852
Ad valorem taxes	-	1,754,860	-	-	1,754,860
Road improvement	-	-	2,400,421	-	2,400,421
Emergency preparedness	-	-	-	27,217	27,217
Disaster relief	-	-	-	7,038	7,038
Health services	-	-	-	876,652	876,652
Landfill	-	-	-	518,347	518,347
Courthouse maintenance	-	-	-	14,030	14,030
Criminal court	-	-	-	44,488	44,488
Parish transportation	-	4,896,376	-	-	4,896,376
Recreation	-	-	-	163,535	163,535
Special witnesses	-	-	-	37,844	37,844
Criminal jury	-	-	-	52,206	52,206
Unassigned:	870,705	-	-	-	870,705
Total Fund Balances	<u>\$ 1,120,705</u>	<u>\$ 6,978,088</u>	<u>\$ 2,400,421</u>	<u>\$ 1,742,857</u>	<u>\$ 12,242,071</u>

### 14. RISK MANAGEMENT

Washington Parish Government is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Parish attempts to minimize risk from significant losses through the purchase of commercial insurance.

### 15. COMPENSATION PAID TO PARISH PRESIDENT AND PARISH COUNCIL

Name	Title	Amount
Richard N. Thomas, Jr.	Parish President	\$ 166,881
Jacob "Perry" Talley	Parish Council District 1	12,000
Michael Fussell	Parish Council District 2	11,850
Christopher Workman	Parish Council District 3	14,100
Levi Lewis, Sr.	Parish Council District 4	11,850
Thomas Russell Fornea	Parish Council District 5	12,000
Reginald McMasters	Parish Council District 6	11,850
David Anthony	Parish Council District 7	11,850

## **WASHINGTON PARISH GOVERNMENT**

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

### **16. LITIGATION**

The attorney for the Parish Government has advised that several lawsuits have been filed against the Parish, mainly for roadway damage.

The attorney advised that the provisions of the present Louisiana Constitution do not permit a person holding a judgment against the Parish Government to levy or collect that judgment against any assets of the Parish in a judicial fashion. He also said that no funds have been allocated by Parish Government to pay any outstanding judgments or to make offers in settlement of pending litigation.

### **17. CONTINGENT LIABILITY**

In the audit report of Washington Parish Government for the year ended December 31, 2003, there was a "questioned cost" concerning an \$872,187 bad debt expense on a loan made with the proceeds of a U.S. Department of Agriculture (USDA) revolving loan fund grant. In 2005, the USDA and the Office of the Louisiana Legislative Auditor began looking into this matter. Because of the inherent nature of "questioned costs," the USDA could possibly ask the Parish Government for partial or full reimbursement sometime in the future. However, the ultimate outcome is unknown at this time. Accordingly, no liability has been recorded in these financial statements.

### **18. GRANTS FROM OTHER GOVERNMENTAL UNITS**

Federal and state governmental units represent an important source of supplementary funding used to finance construction and road maintenance programs, and other activities beneficial to the community. A grant receivable is recorded when the Parish Government has a right to reimbursement under the related grant.

Some of the grants received by the Parish Government specify the purpose for which the grant monies are to be used and such grants are subject to audit by the granting agency. This audit report contains the following significant grant expenditures which have been expended as of December 31, 2019:

Hazard Mitigation Grant	\$	543,323
Community Development Block Grant expenditures		458,896
U.S. Department of Transportation – Washington Parish Council on Aging expenditures		226,335



**WASHINGTON PARISH GOVERNMENT**

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

**19. POST EMPLOYMENT BENEFITS**

HEALTH INSURANCE

Plan Description

The Parish provides health care benefits to its employees upon retirement as authorized by Resolution No. 07-394 adopted in 2007 with an effective date of January 1, 2008. This Resolution was then amended by Ordinance No. 09-489 adopted in 2009. Health coverage includes a fully insured group health maintenance plan (PPO).

Medical benefits are provided to employees upon retirement according to the retirement eligibility provisions as follows: an employee who has met the eligibility requirements of the Louisiana Parochial Retirement System, and is at least 62 years old, and has a minimum of 25 years of service with the Washington Parish Government, will continue to carry hospitalization insurance on said employee only and the cost shall be paid for by the Parish until the employee reaches the age of 65.

The Parish has implemented GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) effective December 31, 2018. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.

The Parish has fewer than 100 plan members and meets the requirements to use the alternative measurement method in lieu of an actuarial evaluation, and elects to do so. The Parish will use the following method:

Employees covered by benefit terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	31
	<u>31</u>

In the year ended December 31, 2019, the Parish did not contribute for retired employees.

Total OPEB Liability

The Parish’s total OPEB liability of \$1,037,321 was measured as of December 31, 2019.

# WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2019

## 19. POST EMPLOYMENT BENEFITS (Continued)

*Actuarial Assumptions and other inputs* – The total OPEB liability as of December 31, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.74%

The discount rate was based on the bond buyers' 20 Year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher, as of December 31, 2019, the end of the applicable measurement period.

### Healthcare Cost Trend Rate

The expected rate of increase in medical costs is based on projections performed by the Office of Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2019 – 2028, Table 3 - National Health Expenditures; Aggregate and per Capita Amounts, Percent Distribution and Annual Percent Change by Source of Funds: Calendars Years 2012 – 2028, released by the Health Care Financing Administration ([www.cms.gov](http://www.cms.gov)). Graduated rates for 2019 through 2028 were used from this table with an ultimate annual rate of 6.0% for 2028 and later. The current medical premium is \$1,093 per month which is paid at 100% by the Parish.

### Turnover

The probability that an employee will remain employed until the assumed retirement age was determined using non-group-specific age-based turnover data adapted from data maintained by the U.S. Office of Personnel Management regarding the experience of employee group covered by Federal Employees Retirement System. These probabilities were provided in the GASB Statement 75.

### Mortality

As recommended in GASB 75, the life expectancies are based on mortality tables at the National Center for Health Statistics website ([www.cdc.gov](http://www.cdc.gov)). The 2015 United States Life Tables for Males and United States Life Tables for Females were used. Life expectancies that included partial years were rounded to the nearest whole year. The calculation of postemployment health insurance coverage for each year is based on the assumption that all participants will live until their expected age.

**WASHINGTON PARISH GOVERNMENT**

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019

**19. POST EMPLOYMENT BENEFITS (Continued)**

Changes in the Total OPEB Liability

Balance at December 31, 2018	\$	559,956
Changes for the year:		
Service cost		46,066
Interest		1,262
Changes in assumptions		430,037
Net changes		<u>477,365</u>
 Balance at December 31, 2019	 \$	 <u>1,037,321</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	\$ 1,331,378	\$ 1,037,321	\$ 818,484

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90%) or 1-percentage-point higher (6.90%) than the current discount rate:

	1.0% Decrease (4.90%)	Current Healthcare Cost Trend Rate (5.90%)	1.0% Increase (6.90%)
Total OPEB liability	\$ 786,103	\$ 1,037,321	\$ 1,325,344

OPEB Expense

For the year ended December 31, 2019, the Parish’s recognized an OPEB Expense of \$81,566.

## **WASHINGTON PARISH GOVERNMENT**

*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)  
As of and for the Year Ended December 31, 2019*

### **20. SUBSEQUENT EVENTS**

In May 2020, the Washington Parish Government and the City of Bogalusa reached an agreement, effective December 31, 2019, in which the City of Bogalusa settled a considerable amount of its debt to the Joint Venture by offsetting the outstanding debt with its equity interest in the Joint Venture. The agreement transferred the City of Bogalusa's 41.9% ownership in the Landfill to the Washington Parish Government and terminated the current Joint Venture agreement between the parties. In addition, the City's remaining outstanding debt will be paid in accordance with the new intergovernmental agreement, which will also provide for the continued disposal of solid waste at a rate affordable to Bogalusa.

Subsequent to year end, the world has encountered a global pandemic (COVID-19 virus) that has significantly affected the economy and operations of many businesses. While the disruption is currently expected to be temporary, the potential financial impacts are unknown at this time.

Subsequent events were evaluated through June 24, 2020, which is the date the financial statements were available to be issued. No other material subsequent events have occurred since December 31, 2019 that required recognition or disclosure in these financial statements.

### **21. COMMITMENTS**

On June 19, 2019, the Parish awarded a contract to Dixon Contracting Group, LLC in the amount of \$1,846,358 for the replacement of windows at Franklinton Junior High School. This project is the final phase of the Washington Parish School Board Hazard Mitigation Grant Program window retrofit project. The project is funded by funds awarded to the Parish in June of 2016. As of December 31, 2019, \$1,807,336 remained outstanding on the contract. The contractor experienced issues with the window vendor delivering the product timely. This matter was resolved near year end and window replacement began in early 2020. This project is expected to be complete by July 2020.

In December 2012, the Parish received an award from the Department of Transportation and Development through a federal commitment for a sidewalk project in Franklinton, along state highway 25, the courthouse square and downtown area. After several years of design, funding commitment issues and revisions to the scope of the project, the Parish received a funding commitment on May 7, 2019. Bids were received for the project on December 11, 2019 and the project was awarded to the low bidder, Gulf States Services, LLC on January 10, 2020 in the amount of \$452,593. The project is funded 80% by a federal commitment and 20%, plus engineering design and construction management, by the Parish. This project is expected to be completed by June 30, 2020.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**WASHINGTON PARISH GOVERNMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance With</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts</b> <b>Budgetary</b> <b>Basis</b>	<b>Final Budget</b> <b>Positive</b> <b>(Negative)</b>
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 507,000	\$ 518,000	\$ 555,703	\$ 37,703
Other	4,400	3,800	3,993	193
Licenses and permits	622,600	654,650	634,281	(20,369)
Intergovernmental federal funds				
Federal grants	242,300	225,000	226,335	1,335
State funds				
State revenue sharing	39,000	39,000	39,971	971
Other	604,000	581,300	621,188	39,888
Fees, charges, etc.	445,700	437,700	471,826	34,126
Fines and penalties	-	-	250	250
Interest income	6,300	33,200	32,343	(857)
Other	6,000	8,400	8,700	300
<b>TOTAL REVENUES</b>	<b>2,477,300</b>	<b>2,501,050</b>	<b>2,594,590</b>	<b>93,540</b>
<b>EXPENDITURES</b>				
Current				
General government				
Legislative	202,900	212,600	206,659	5,941
Judicial	226,550	255,600	243,537	12,063
Executive	281,860	272,660	272,077	583
Elections	245,700	245,700	251,532	(5,832)
Finance and administrative	600,300	585,800	569,553	16,247
Other	653,000	627,800	587,099	40,701
Public Safety	297,000	297,000	296,210	790
Health and welfare	140,700	144,300	161,307	(17,007)
Culture and recreation	40,000	40,000	33,211	6,789
Capital outlay	68,000	36,800	67,517	(30,717)
<b>TOTAL EXPENDITURES</b>	<b>2,756,010</b>	<b>2,718,260</b>	<b>2,688,702</b>	<b>29,558</b>
Deficiency of revenues over expenditures	(278,710)	(217,210)	(94,112)	123,098
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	514,400	447,000	428,000	(19,000)
Operating transfers out	(310,000)	(310,000)	(277,500)	32,500
<b>Total other financing sources</b>	<b>204,400</b>	<b>137,000</b>	<b>150,500</b>	<b>13,500</b>
Net change in fund balances	(74,310)	(80,210)	56,388	136,598
Fund balances, beginning	981,413	1,064,317	1,064,317	-
Fund balances, ending	<u>\$ 907,103</u>	<u>\$ 984,107</u>	<u>\$ 1,120,705</u>	<u>\$ 136,598</u>

**WASHINGTON PARISH GOVERNMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**CRIMINAL JUSTICE SALES TAX FUND**  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance With</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts</b> <b>Budgetary</b> <b>Basis</b>	<b>Final Budget</b> <b>Positive</b> <b>(Negative)</b>
<b>REVENUES</b>				
Taxes				
Sales	\$ 1,374,500	\$ 1,352,000	\$ 1,361,844	\$ 9,844
Other	12,000	13,400	12,796	(604)
Interest income	200	2,700	2,880	180
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,386,700	1,368,100	1,377,520	9,420
<b>EXPENDITURES</b>				
Current				
General government				
Judicial	885,000	836,900	822,740	14,160
Finance and administrative	21,000	20,500	20,666	(166)
Public Safety	630,000	630,000	606,083	23,917
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,536,000	1,487,400	1,449,489	37,911
Deficiency of revenues over expenditures	(149,300)	(119,300)	(71,969)	47,331
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	150,000	120,000	117,500	(2,500)
Total other financing sources	<hr/>	<hr/>	<hr/>	<hr/>
	150,000	120,000	117,500	(2,500)
Net change in fund balances	700	700	45,531	44,831
Fund balances, beginning	20,250	77,425	77,425	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, ending	\$ 20,950	\$ 78,125	\$ 122,956	\$ 44,831

**WASHINGTON PARISH GOVERNMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SALES TAX SPLIT .67% FUND**  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Sales	\$ 1,879,000	\$ 1,952,000	\$ 2,000,029	\$ 48,029
Interest income	10,000	36,000	39,035	3,035
	<u>1,889,000</u>	<u>1,988,000</u>	<u>2,039,064</u>	<u>51,064</u>
<b>EXPENDITURES</b>				
Finance & administrative	102,600	105,000	110,878	(5,878)
	<u>102,600</u>	<u>105,000</u>	<u>110,878</u>	<u>(5,878)</u>
Excess of revenues over expenditures	1,786,400	1,883,000	1,928,186	45,186
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	(614,000)	(545,500)	(2,581,339)	(2,035,839)
Dissolution of Joint Venture	-	-	(392,231)	(392,231)
Subsidy in joint venture	(1,050,000)	(2,080,600)	-	2,080,600
Excess sales tax split with other government entities	(123,600)	(111,500)	(106,900)	4,600
	<u>(1,787,600)</u>	<u>(2,737,600)</u>	<u>(3,080,470)</u>	<u>(342,870)</u>
Net change in fund balances	(1,200)	(854,600)	(1,152,284)	(297,684)
Fund balances, beginning	934,958	1,356,180	1,356,180	-
Fund balances, ending	<u>\$ 933,758</u>	<u>\$ 501,580</u>	<u>\$ 203,896</u>	<u>\$ (297,684)</u>



**WASHINGTON PARISH GOVERNMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**PARISH TRANSPORTATION FUND**  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 2,513,000	\$ 2,560,000	\$ 2,756,656	\$ 196,656
Sales	1,465,000	1,543,000	1,570,955	27,955
Other	5,000	6,000	5,051	(949)
State funds				
Parish transportation funds	535,000	643,000	621,575	(21,425)
State revenue sharing	49,700	49,000	50,344	1,344
Interest income	30,000	96,800	99,561	2,761
Insurance proceeds	-	-	10,038	10,038
Other	2,400	49,300	59,385	10,085
<b>TOTAL REVENUES</b>	<b>4,600,100</b>	<b>4,947,100</b>	<b>5,173,565</b>	<b>226,465</b>
<b>EXPENDITURES</b>				
Current				
Finance and administrative	248,200	247,000	292,773	(45,773)
Highway and streets	4,251,900	4,327,500	4,229,940	97,560
Capital outlay	105,000	258,100	253,160	4,940
<b>TOTAL EXPENDITURES</b>	<b>4,605,100</b>	<b>4,832,600</b>	<b>4,775,873</b>	<b>56,727</b>
Excess (deficiency) of revenues over expenditures	(5,000)	114,500	397,692	283,192
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	279,900	98,500	94,300	(4,200)
Operating transfers out	(17,300)	(16,900)	(16,921)	(21)
<b>Total other financing sources</b>	<b>262,600</b>	<b>81,600</b>	<b>77,379</b>	<b>(4,221)</b>
Net change in fund balances	257,600	196,100	475,071	278,971
Fund balances, beginning	4,172,926	4,421,305	4,421,305	-
Fund balances, ending	<u>\$ 4,430,526</u>	<u>\$ 4,617,405</u>	<u>\$ 4,896,376</u>	<u>\$ 278,971</u>

**WASHINGTON PARISH GOVERNMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD IMPROVEMENT FUND**  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Sales	\$ 1,757,000	\$ 1,750,000	\$ 1,776,565	\$ 26,565
Interest income	20,000	75,000	76,927	1,927
	<u>1,777,000</u>	<u>1,825,000</u>	<u>1,853,492</u>	<u>28,492</u>
<b>EXPENDITURES</b>				
Current				
General government				
Finance and administrative	101,625	100,925	104,241	(3,316)
Capital outlay	2,107,500	2,091,400	1,791,364	300,036
	<u>2,209,125</u>	<u>2,192,325</u>	<u>1,895,605</u>	<u>296,720</u>
Excess (deficiency) of revenues over expenditures	<u>(432,125)</u>	<u>(367,325)</u>	<u>(42,113)</u>	<u>325,212</u>
Net change in fund balances	(432,125)	(367,325)	(42,113)	325,212
Fund balances, beginning	<u>2,222,288</u>	<u>2,442,534</u>	<u>2,442,534</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,790,163</u>	<u>\$ 2,075,209</u>	<u>\$ 2,400,421</u>	<u>\$ 325,212</u>

**WASHINGTON PARISH GOVERNMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**LIBRARY FUND**  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 819,000	\$ 835,000	\$ 897,432	\$ 62,432
State funds				
State revenue sharing	56,000	56,000	56,074	74
Other	65,850	79,400	51,825	(27,575)
Fees, charges, etc.	16,500	19,300	19,184	(116)
Fines and penalties	4,000	4,000	3,740	(260)
Interest income	11,000	32,000	37,613	5,613
Other	-	-	21,288	21,288
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	972,350	1,025,700	1,087,156	61,456
<b>EXPENDITURES</b>				
Current				
General government				
Finance and administrative	71,300	70,900	70,158	742
Culture and recreation	922,900	970,600	966,689	3,911
Capital outlay	225,000	50,000	-	50,000
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,219,200	1,091,500	1,036,847	54,653
Net change in fund balances	(246,850)	(65,800)	50,309	116,109
Fund balances, beginning	1,714,593	1,704,551	1,704,551	-
Fund balances, ending	<u>\$ 1,467,743</u>	<u>\$ 1,638,751</u>	<u>\$ 1,754,860</u>	<u>\$ 116,109</u>

**WASHINGTON PARISH GOVERNMENT**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS AND NOTES TO THE SCHEDULE**  
*For the Year Ended December 31, 2019*

Total OPEB Liability	2018	2019
Service cost	\$ 31,570	\$ 46,066
Interest	1,291	1,262
Changes in assumptions	(33,253)	430,037
Net change in total OPEB liability	(392)	477,365
Total OPEB liability – beginning	560,348	559,956
Total OPEB liability – ending	\$ 559,956	\$ 1,037,321
Covered-employee payroll	\$ 3,797,094	\$ 3,598,527
Total OPEB liability as a percentage of covered-employee payroll	14.70%	28.83%

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

The alternative measurement method was utilized and the measurement date corresponds with the financial reporting date.

Notes to the Schedule:

Benefit changes – There were no changes of benefit terms for the years ended December 31, 2018 and 2019.

Changes in assumptions – There were changes in assumptions related to the implementation of GASB 75 for the year ended December 31, 2018. There were changes in assumptions related to the change in the discount rate from 4.09% at the beginning of the measurement period to 2.74% as of December 31, 2019.

As of December 31, 2018 and 2019, there were no assets accumulated in a trust that meet the requirements of GASB 75, paragraph 4 to pay related benefits.

## WASHINGTON PARISH GOVERNMENT

### SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*For the Years Ended December 31, 2019 Through 2014*

<u>Fiscal Year</u>	Employer's Proportion Share of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
12/31/2014	0.527511%	\$ 37,974	\$ 3,040,172	1.25%	99.77%
12/31/2015	0.514016%	140,536	3,225,626	4.36%	99.15%
12/31/2016	0.521790%	1,373,501	3,623,908	37.90%	92.23%
12/31/2017	0.536575%	1,105,083	3,591,542	30.77%	94.15%
12/31/2018	0.528685%	(392,415)	3,797,094	(10.33%)	101.98%
12/31/2019	0.556950%	2,417,944	3,026,343	79.90%	88.86%

**WASHINGTON PARISH GOVERNMENT**  
**SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS**  
*For the Years Ended December 31, 2019 Through 2014*

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/2014	\$ 457,938	\$ 457,938	\$ -	\$ 3,040,172	15.06%
12/31/2015	422,972	422,972	-	3,225,626	13.11%
12/31/2016	401,625	401,625	-	3,623,908	11.08%
12/31/2017	392,242	392,242	-	3,591,542	10.92%
12/31/2018	368,810	368,810	-	3,797,094	9.71%
12/31/2019	325,596	325,596	-	3,026,343	10.76%

***OTHER SUPPLEMENTARY INFORMATION***

**WASHINGTON PARISH GOVERNMENT**  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2019

**SPECIAL REVENUE FUNDS**

**Disaster Relief Fund** (previously called Hurricane Isaac Fund) – Accounts for the expenditures of funds for disaster relief and restoration and reimbursements received from FEMA.

**Special Witness Fund** – The Special Witness Fund was established under Section 255 of Title 15 of the Louisiana Revised Statute of 1981, which provides that costs of court collected in individual cases, tried in district or parish courts on which there is a plea of guilty or conviction, be transferred to the Parish Treasurer and deposited into a Special Witness Fund account to be used to pay off-duty officer witness fees. Expenditures are made from the Fund when a court affidavit is presented to the Parish Comptroller, and when the appropriate payroll department verifies that the officer was off duty.

**Criminal Jury Fund** – Accounts for the fines and fees collected and expenditures for jury duty.

**Courthouse Maintenance Fund** – Accounts for the operation and maintenance of the Courthouse and related public buildings of the Parish. Financing is provided by ad valorem taxes and state revenue sharing. The ad valorem tax expires in 2026.

**Health Unit Maintenance Fund** – Accounts for the operation and maintenance of public health units in the Parish. Financing is provided by ad valorem taxes and state revenue sharing. The ad valorem tax expires in 2026.

**Criminal Court Fund** – The Criminal Court Fund was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal court cases be transferred to the Parish Treasurer and deposited into a special Criminal Court Fund account to be used for the expenses of the criminal court of the Parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges or on motion of the district judges and approval of the district attorney.

**Office of Homeland Security & Emergency Preparedness Fund** – This Fund was established by State law (R.S. 29:728) and is responsible for emergency mitigation, preparedness, response and recovery. The director is appointed by the Parish President and must be commissioned by the director of the State Office of Emergency Preparedness. Operating expenses are partially reimbursed by the State.



**WASHINGTON PARISH GOVERNMENT**  
**NONMAJOR GOVERNMENTAL FUNDS-CONTINUED**  
*December 31, 2019*

**Recreation District # 1 Fund** – The Washington Parish Recreation District # 1 (the District) was established under Chapter 11 of Title 33 of the Louisiana Revised Statutes to be a body corporate in law and a political subdivision of the State of Louisiana. The District obtains funding from fundraisers and donations and covers all the costs of its expenses. The Parish Government is responsible for the accounting and financial reporting.

**HMGP Grant Fund** accounts for the receipts and expenditures of funds to raise or elevate homes and buildings in flood plain areas and other Hazard Mitigation Grant projects, received from the State of Louisiana Governor’s Office of Homeland Security and Emergency Preparedness.

**Sales Tax Split 1% Fund** – Accounts for the proceeds of the one cent sales tax imposed Parish-wide, excluding the City of Bogalusa, for the period of May 1992 through June 2002, to pay the costs of providing, maintaining, operating, constructing, acquiring, and/or in providing solid waste facilities. Currently, all funds are restricted for the Landfill.

**CAPITAL PROJECTS FUNDS**

**LCDBG Fund** – Accounts for a Louisiana Community Development Block Grant to provide for a new water well for the Bogue Lusa Water Works District, a component unit of the Washington Parish Government.

**LCDBG Water Improvements Fund** – Accounts for a Louisiana Community Development Block Grant to provide for construction of a potable water well in the Varnado Water Works District.

**CDBG Grant Fund** – Accounts for the receipts and expenditures of funds for the Parish’s CDBG grant funding.

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING BALANCE SHEET**  
**NON MAJOR GOVERNMENTAL FUNDS**  
*December 31, 2019*

	Special Revenue Funds					
	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ 53,744	\$ -	\$ -	\$ -
Investments	-	-	-	64,986	97,672	-
Receivables	-	702	9,969	175,392	448,099	13,319
Due from other funds	6,754	37,142	-	-	346,414	36,454
Due from other governmental units	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 6,754</u>	<u>\$ 37,844</u>	<u>\$ 63,713</u>	<u>\$ 240,378</u>	<u>\$ 892,185</u>	<u>\$ 49,773</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 11,507	\$ 8,021	\$ 15,533	\$ 5,285
Due to other funds	-	-	-	218,327	-	-
Due to other governmental units	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>11,507</u>	<u>226,348</u>	<u>15,533</u>	<u>5,285</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*See Accompanying Independent Auditors' Report.*

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING BALANCE SHEET**  
**NON MAJOR GOVERNMENTAL FUNDS (Continued)**  
**December 31, 2019**

Special Revenue Funds

	Hurricane Katrina Fund	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
<b>FUND BALANCES</b>							
Nonspendable:							
Not in spendable form	-	-	-	-	-	-	-
Restricted	-	6,754	37,844	52,206	14,030	876,652	44,488
TOTAL FUND BALANCES	-	6,754	37,844	52,206	14,030	876,652	44,488
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 6,754</u>	<u>\$ 37,844</u>	<u>\$ 63,713</u>	<u>\$ 240,378</u>	<u>\$ 892,185</u>	<u>\$ 49,773</u>

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING BALANCE SHEET**  
**NON MAJOR GOVERNMENTAL FUNDS (Continued)**  
**December 31, 2019**

	Special Revenue Funds			Capital Projects Fund			Total Nonmajor Governmental Funds	
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	HMGP Grant Fund	LCDBG Fund	LCDBG Water Improvements Fund		CDBG Grant Fund
<b>ASSETS</b>								
Cash	\$ -	\$ 163,535	\$ -	\$ -	\$ 2,368	\$ 10	\$ -	\$ 219,657
Investments	-	-	426,455	-	-	-	-	589,113
Receivables	66,679	-	-	-	-	-	-	714,160
Due from other funds	-	-	91,892	-	-	-	-	518,656
Due from other governmental units	-	-	-	5,835	-	-	-	5,835
<b>TOTAL ASSETS</b>	<b>\$ 66,679</b>	<b>\$ 163,535</b>	<b>\$ 518,347</b>	<b>\$ 5,835</b>	<b>\$ 2,368</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 2,047,421</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 4,721	\$ -	\$ -	\$ 5,835	\$ -	\$ -	\$ -	\$ 50,902
Due to other funds	31,741	-	-	-	-	-	-	250,068
Due to other governmental units	-	-	-	-	2,094	-	-	2,094
<b>TOTAL LIABILITIES</b>	<b>36,462</b>	<b>-</b>	<b>-</b>	<b>5,835</b>	<b>2,094</b>	<b>-</b>	<b>-</b>	<b>303,064</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	1,500	-	-	-	-	-	-	1,500
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING BALANCE SHEET**  
**NON MAJOR GOVERNMENTAL FUNDS (Continued)**  
**December 31, 2019**

	Special Revenue Funds			Capital Projects Fund				Total Nonmajor Governmental Funds
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	HMGP Grant Fund	LCDBG Fund	LCDBG Water Improvements Fund	CDBG Grant Fund	
<b>FUND BALANCES</b>								
Nonspendable:								
Not in spendable form	1,500	-	-	-	-	-	-	1,500
Restricted	27,217	163,535	518,347	-	274	10	-	1,741,357
<b>TOTAL FUND BALANCES</b>	<u>28,717</u>	<u>163,535</u>	<u>518,347</u>	<u>-</u>	<u>274</u>	<u>10</u>	<u>-</u>	<u>1,742,857</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 66,679</u>	<u>\$ 163,535</u>	<u>\$ 518,347</u>	<u>\$ 5,835</u>	<u>\$ 2,368</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2,047,421</u>

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*For the Year Ended December 31, 2019*

	Special Revenue Funds					
	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
<b>REVENUES</b>						
Taxes						
Ad valorem	\$ -	\$ -	\$ -	\$ 200,948	\$ 606,742	\$ -
Intergovernmental federal funds						
Federal grants	-	-	-	-	-	-
State funds						
State revenue sharing	-	-	-	12,556	37,911	-
Other	-	-	-	26,881	-	-
Fees, charges, etc.	-	8,863	65,015	-	2,786	-
Fines and penalties	-	-	-	-	-	157,057
Interest income	161	1,368	1,209	1,421	17,636	558
Other	-	-	-	-	9	-
	161	10,231	66,224	241,806	665,084	157,615
Total revenues						
<b>EXPENDITURES</b>						
Current						
General government						
Judicial	-	3,850	54,075	177,609	-	163,501
Finance and administrative	-	-	-	15,141	46,551	-
Public Safety	-	-	-	51,989	-	-
Health and welfare	-	-	-	-	656,566	-
Culture and recreation	-	-	-	-	-	-

*See Accompanying Independent Auditors' Report.*

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended December 31, 2019**

	Special Revenue Funds					
	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
Capital outlay	-	-	-	54,781	47,330	-
Total expenditures	-	3,850	54,075	299,520	750,447	163,501
Excess (deficiency) of revenues over expenditures	161	6,381	12,149	(57,714)	(85,363)	(5,886)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	50,000	-	13,000
Operating transfers out	-	(13,000)	-	-	-	-
Total other financing sources (uses)	-	(13,000)	-	50,000	-	13,000
Net change in fund balances	161	(6,619)	12,149	(7,714)	(85,363)	7,114
Fund balances, beginning	6,593	44,463	40,057	21,744	962,015	37,374
Fund balances, ending	\$ 6,754	\$ 37,844	\$ 52,206	\$ 14,030	\$ 876,652	\$ 44,488

*See Accompanying Independent Auditors' Report.*

**WASHINGTON PARISH GOVERNMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended December 31, 2019**

	Special Revenue Funds				Capital Project Funds				Total Nonmajor Governmental Funds
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	HMGP Grant Fund	LCDBG Fund	LCDBG Water Improvements Fund	CDBG Grant Fund		
<b>REVENUES</b>									
Taxes									
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 807,690
Intergovernmental federal funds									
Federal grants	84,977	-	-	543,322	-	434,257	24,639	-	1,087,195
State funds									
State revenue sharing	-	-	-	-	-	-	-	-	50,467
Other	-	-	-	-	-	-	-	-	26,881
Fees, charges, etc.	-	-	-	-	-	-	-	-	76,664
Fines and penalties	-	-	-	-	-	-	-	-	157,057
Interest income	-	5,021	23,254	-	72	-	-	-	50,700
Other	-	660	-	-	-	-	-	-	669
Total revenues	84,977	5,681	23,254	543,322	72	434,257	24,639	-	2,257,323
<b>EXPENDITURES</b>									
Current									
General government									
Judicial	-	-	-	-	-	-	-	-	399,035
Finance and administrative	-	-	-	-	-	-	-	-	61,692
Public Safety	182,845	-	-	-	-	-	-	-	234,834
Health and welfare	-	-	-	-	-	-	-	-	656,566
Culture and recreation	-	674	-	-	-	-	-	-	674



**WASHINGTON PARISH GOVERNMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended December 31, 2019**

	Special Revenue Funds				Capital Project Funds			Total Nonmajor Governmental Funds
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	HMGP Grant Fund	LCDBG Fund	LCDBG Water Improvements Fund	CDBG Grant Fund	
Capital outlay	-	-	-	543,322	-	451,178	24,639	1,121,250
Total expenditures	182,845	674	-	543,322	-	451,178	24,639	2,474,051
Excess (deficiency) of revenues over expenditures	(97,868)	5,007	23,254	-	72	(16,921)	-	(216,728)
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	110,000	-	-	-	-	16,921	-	189,921
Operating transfers out	-	-	-	-	-	-	-	(13,000)
Total other financing sources (uses)	110,000	-	-	-	-	16,921	-	176,921
Net change in fund balances	12,132	5,007	23,254	-	72	-	-	(39,807)
Fund balances, beginning	16,585	158,528	495,093	-	202	10	-	1,782,664
Fund balances, ending	<u>\$ 28,717</u>	<u>\$ 163,535</u>	<u>\$ 518,347</u>	<u>\$ -</u>	<u>\$ 274</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 1,742,857</u>

**WASHINGTON PARISH GOVERNMENT**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND**  
**OTHER PAYMENTS TO AGENCY HEAD**  
*For the Year Ended December 31, 2019*

Agency Head: Richard N. Thomas, Jr., Parish President

Salary	\$ 166,881
Benefits – retirement	19,191
Benefits – insurance	13,892
Vehicle provided by government	3,246
Conference travel	807
Telephone	592
Total	<u>\$ 204,609</u>

## **OTHER REPORTS**



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

Washington Parish Government  
Franklinton, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Parish Government (the Parish) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated June 24, 2020.

**Internal Control over Financial Reporting**

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Parish's financial statements are free of 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 is 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 24, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Washington Parish Government  
Franklinton, Louisiana

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

We have audited Washington Parish Government's (the Parish) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Parish's major federal programs for the year ended December 31, 2019. The Parish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Parish's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## **Opinion on Each Major Federal Program**

In our opinion, the Parish complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## **Report on Internal Control over Compliance**

Management of the Parish is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Parish's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate for the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control over compliance.

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

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

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

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 24, 2020

**WASHINGTON PARISH GOVERNMENT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
December 31, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Award Number	Federal CFDA Number	Passed through to Subrecipients	Federal Expenditures
<b>U.S. Department of Homeland Security</b>				
Passed through Governor's Office of Homeland Security and Emergency Preparedness:				
Emergency Management Performance	EMT-2019-EP-00006-S01	97.042	\$ -	\$ 28,453
Homeland Security Grant Program	EMW-2018-SS-00016-S01	97.067	-	40,321
Hazard Mitigation Grant Program	1607-117-0004	97.039	-	20,481
	1603-022-0003	97.039	-	12,663
	4277-117-0077	97.039	-	3,102
	1603-117-0014	97.039	-	292,965
	1603-117-0022	97.039	-	15,027
	1603-117-0019	97.039	-	123,278
	4080-117-0001	97.039	-	73,917
	4263-117-0037	97.039	-	1,889
<b>Total Department of Homeland Security</b>			-	612,096
<b>U.S. Department of Housing and Urban Development</b>				
Passed through State Office of Community Development:				
Community Development Block Grant **	B17-DC-22-0001	14.228	-	434,257
Community Development Block Grant **	B13-DS-22-0001	14.228	-	24,639
<b>Total Department of Housing and Urban Development</b>			-	458,896
<b>U.S. Department of Transportation</b>				
Passed through State Department of Transportation and Development:				
Formula Grants for Rural Areas	LA 2019-011	20.509	226,335	226,335
<b>Total Department of Transportation</b>			226,335	226,335
<b>U.S. Department of Health and Human Services</b>				
Passed through State Department of Health and Hospitals:				
Hospital Preparedness Program and Public Health Emergency Preparedness	723936	93.074	-	16,203
<b>Total Department of Health and Human Services</b>			-	16,203
<b>Total Expenditures of Federal Awards</b>			<u>\$ 226,335</u>	<u>\$ 1,313,530</u>

\*\* This program is considered a major program under Uniform Guidance.



**WASHINGTON PARISH GOVERNMENT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*December 31, 2019*

**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying *Schedule of Expenditures of Federal Awards* includes the federal grant activity of the Washington Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Parish, it is not intended to and does not present the net position and changes in the net position of the Parish. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – DE MINIMIS COST RATE**

During the year ended December 31, 2019, the Parish did not elect to use the 10% de minimis cost rate as covered in Section 200.414 of the Uniform Guidance.

**NOTE C – DETERMINATION OF TYPE A AND TYPE B PROGRAMS**

Federal awards programs are classified as either Type A or Type B programs. For the year ended December 31, 2019, Type A programs consisted of the federal programs that expended over \$750,000 and Type B programs were the programs that expended under \$750,000.

**NOTE D – NON-CASH ASSISTANCE**

No federal awards were expended in the form of non-cash assistance during the year ended December 31, 2019.



**WASHINGTON PARISH GOVERNMENT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued*  
*For the Year Ended December 31, 2019*

**SECTION I - SUMMARY OF AUDITORS' RESULTS - continued**

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$750,000

Auditee Qualified as Low-Risk Auditee?

Yes     No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**WASHINGTON PARISH GOVERNMENT**

*SCHEDULE OF PRIOR YEAR FINDINGS*

*For the Year Ended December 31, 2019*

	<b><u>RESOLUTION</u></b>
<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<b><u>2018-001 - Budget</u></b>	Resolved.
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
None noted.	
<b>SECTION III - MANAGEMENT LETTER</b>	
None issued.	