

WASHINGTON PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT

Year Ended December 31, 2020

WASHINGTON PARISH GOVERNMENT

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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, 2020, 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, 2020, 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, 2020, 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, 2020, 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.

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, schedule of compensation, benefits, and other payments to agency head, and justice system funding schedules 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, schedule of compensation, benefits, and other payments to agency head, and justice system funding schedules 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, schedule of compensation, benefits, and other payments to agency head, and justice system funding schedules 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 10, 2021, 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 10, 2021

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2020

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, 2020. 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 \$58,971,319 (net position). Of this amount, \$718,947 represents unrestricted net position.
- During 2020, the Washington Parish Government's total net position increased \$3,692,116 related to a combination of factors. This increase is due to several factors: 1. The COVID-19 pandemic restrictions on social interaction, travel and work from home conditions, encouraged Washington Parish residents to shop in the Parish and online resulting in increased sales and use tax collections for the Parish. Results varied by jurisdiction with increases ranging from 10-18%. 2. The COVID-19 economic stimulus funds and federal supplements to unemployment benefits for individuals provided increased spending power to Parish residents increasing tax revenue from retail sales. 3. The State of Louisiana's Remote Sales Tax Commission collecting and remitting sales tax collections from online remote dealers to proper jurisdictions was implemented July 1, 2020, causing significant increases in sales tax collections from remote dealers. 4. A large utility construction project was completed in the Parish resulting in sales and use tax collections of over \$1 million. 5. Calpine refabricated and sold its energy plant in Washington Parish during 2020. In concession for years of an Industrial Tax Exemption without the benefit of an operating power plant, Calpine paid the Parish taxing bodies in that jurisdiction \$1,250,000 in lieu of taxes. The Washington Parish Government's prorated portion was received in 2020 in the amount of \$411,000. In addition to the increase in revenue for the year, expenditures in many categories were 5-10% less than the prior year due to the COVID-19 pandemic's "shutdown". These factors contributed to an increase in current assets of \$3.4 million.
- The Parish completed and recorded several capital projects, as further described. The Department of Public Works road crews blacktopped 10.08 miles of Parish roads at a cost of \$428,630 during 2020. The Parish contracted 12.73 miles of asphalt overlay roads for resurfacing at a cost of \$1,095,000. The Road Maintenance department added \$219,000 of new and used equipment to its fleet. The Parish completed a complete renovation and modernization of the Fleet Maintenance Shop for a total cost of \$68,075, which was funded from a Governor's Office of Community Development (LGAP) grant. A sidewalk project around the Courthouse square connecting areas of downtown Franklinton, along highway 16 and 25 was completed at a cost of \$513,932. The project was funded partially by a federal highway grant administered by the Louisiana Department of Transportation and Development.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2020

FINANCIAL HIGHLIGHTS - Continued

- At the close of the current fiscal year, the Washington Parish Government's funds reported combined fund balances of \$15,309,716, an increase of \$3,067,645 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 \$1,333,814, or 43% 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, 2020

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 six 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 twelve 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, 2020

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 27-56 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 57-66 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 70-75 of this report.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2020

WASHINGTON PARISH GOVERNMENT'S NET POSITION

A condensed statement of net position is presented below in Table A-1.

TABLE A-1

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Current assets	\$ 12,930,351	\$ 16,379,225	\$ 2,624,797	\$ 2,415,396	\$ 15,555,148	\$ 18,794,621
Capital Assets	40,698,058	40,648,101	3,317,608	3,189,321	44,015,666	43,837,422
TOTAL ASSETS	53,628,409	57,027,326	5,942,405	5,604,717	59,570,814	62,632,043
DEFERRED OUTFLOWS OF RESOURCES:	2,533,939	1,017,911	-	-	2,533,939	1,017,911
Current Liabilities	735,667	996,226	1,044,201	117,388	1,779,868	1,113,614
Non-current liabilities	3,627,887	1,082,588	1,263,999	1,229,295	4,891,886	2,311,883
TOTAL LIABILITIES	4,363,554	2,078,814	2,308,200	1,346,683	6,671,754	3,425,497
DEFERRED INFLOWS OF RESOURCES:	153,796	1,253,138	-	-	153,796	1,253,138
Net invested in capital assets	40,698,058	40,648,101	3,317,608	3,189,321	44,015,666	43,837,422
Restricted:						
Capital Projects	2,400,705	2,508,383	-	-	2,400,705	2,508,383
Health & Welfare	876,652	910,894	-	-	876,652	910,894
Solid waste disposal	722,243	881,679	-	-	722,243	881,679
Closure and post-closure	-	-	737,734	675,555	737,734	675,555
Highways & bridges	4,896,376	6,512,375	-	-	4,896,376	6,512,375
Other purposes	1,879,939	2,712,571	213,341	213,493	2,093,280	2,926,064
Unrestricted net position	171,025	539,282	(634,478)	179,665	(463,453)	718,947
TOTAL NET POSITION	\$ 51,644,998	\$ 54,713,285	\$ 3,634,205	\$ 4,258,034	\$ 55,279,203	\$ 58,971,319

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 \$58,971,319, at the close of the most recent fiscal year.

By far, the largest portion of the Washington Parish Government's net position (74%) 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, 2020

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS - Continued

An additional portion of the Washington Parish Government's net position (24%) represents resources that are subject to external restrictions on how they may be used. The remaining amount of \$718,947 represents unrestricted net position. At the end of the current fiscal year, the Washington Parish Government can report positive balances in all reported categories of ending net position. The Washington Parish Government's overall net position increased by \$3,692,116 during 2020, 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	
	2019	2020	2019	2020	2019	2020
REVENUES						
Program revenues						
Charges for services	\$ 733,742	\$ 774,255	\$ 514,955	\$ 898,922	\$ 1,248,697	\$ 1,673,177
Operating Grants & Contributions	1,584,656	1,964,975	-	-	1,584,656	1,964,975
Capital Grants & Contributions	1,002,218	2,822,185	796,302	-	1,798,520	2,822,185
General revenues:						
Property taxes	4,968,594	5,451,269	-	-	4,968,594	5,451,269
Sales taxes	6,709,393	8,494,804	-	-	6,709,393	8,494,804
Other taxes	9,044	542,810	-	-	9,044	542,810
Other	1,368,735	1,671,366	543,113	24,410	1,911,848	1,695,776
TOTAL REVENUES	16,376,382	21,721,664	1,854,370	923,332	18,230,752	22,644,996
EXPENSES						
General Government	4,789,943	6,866,929	-	-	4,789,943	6,866,929
Public Safety	1,797,012	1,300,610	-	-	1,797,012	1,300,610
Highway & streets	3,553,346	6,891,788	-	-	3,553,346	6,891,788
Health & welfare	800,660	907,561	-	-	800,660	907,561
Culture & recreation	1,095,793	1,159,991	-	-	1,095,793	1,159,991
Loan program	-	-	-	742	-	742
Landfill	-	-	2,109,674	1,825,259	2,109,674	1,825,259
TOTAL EXPENSES	12,036,754	17,126,879	2,109,674	1,826,001	14,146,428	18,952,880
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS AND SPECIAL ITEMS	4,339,628	4,594,785	(255,304)	(902,669)	4,084,324	3,692,116
TRANSFERS	(2,059,039)	(1,526,498)	2,059,039	1,526,498	-	-
SPECIAL ITEM	(2,614,319)	-	(2,541,650)	-	(5,155,969)	-
INCREASE (DECREASE) IN NET POSITION	(333,730)	3,068,287	(737,915)	623,829	(1,071,645)	3,692,116
NET POSITION – BEGINNING	51,978,728	51,644,998	4,372,120	3,634,205	56,350,848	55,279,203
NET POSITION – ENDING	\$ 51,644,998	\$ 54,713,285	\$ 3,634,205	\$ 4,258,034	\$ 55,279,203	\$ 58,971,319

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2020

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 4th 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) Landfill costs relating to the construction and operation of the Choctaw Road 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 \$663,109, resulting in an ending fund balance of \$1,783,814.

At December 31, 2020, the Washington Parish Government's governmental funds reported combined fund balances of \$15,309,716, an increase of \$3,067,645 in comparison with the prior year. The unassigned portion of the fund balance is \$1,333,814 of the total balance. \$13,525,902 is restricted for particular purposes, \$450,000 is committed for emergency and disaster response costs or capital projects. See Note 13 to the financial statements.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2020

TABLE A-3
WASHINGTON PARISH GOVERNMENT FUND BALANCES

FUND NAME	FUND BALANCE		% OF TOTAL	
	2019	2020	2019	2020
General Fund	\$ 1,120,705	\$ 1,783,814	.0915	.1165
Parish Transportation Fund	4,896,376	6,512,375	.4000	.4254
Sales Tax Split .67% Fund	203,896	789,076	.0167	.0515
Criminal Justice Sales Tax Fund	122,956	363,922	.0100	.0238
Road Improvement Fund	2,400,421	2,508,373	.1961	.1638
Courthouse Maintenance Fund	14,030	115,090	.0011	.0075
Health Unit Maintenance Fund	876,652	910,894	.0716	.0595
Criminal Court Fund	44,488	49,301	.0036	.0032
Library Fund	1,754,860	1,855,589	.1433	.1212
Special Witness Fund	37,844	29,029	.0031	.0019
Sales Tax Split 1% Fund	518,347	92,603	.0423	.0060
Disaster Relief Fund	6,754	6,775	.0006	.0004
Criminal Jury Fund	52,206	88,866	.0043	.0058
Office of Homeland Security & Emergency Preparedness Fund	28,717	51,130	.0023	.0033
LCDBG Water Improvements Fund	10	10	.0001	.0001
LCDBG Fund	274	-	.0001	.0000
Recreation District # 1 Fund	163,535	152,869	.0133	.0101
TOTAL	\$ 12,242,071	\$ 15,309,716	1.0000	1.0000

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget.

The 2020 Budget was prepared based on 2019 actual totals with slight projected increases. Sales tax revenues were estimated based on 2019 actual amounts; however, current year actual collections indicated a 27% increase over the prior year, thus revenues in the amended budget were increased. Ad valorem tax revenues were budgeted based on the 2019 millage report, adjusted for a 1% increase. The actual millage report from the Parish Assessor indicated a 9.7% increase in assessments, triggering a need to increase budgeted amounts. 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 5-6% more than expected.
- Sales tax revenues were 10-19% greater than budgeted.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS - CONTINUED

- Overall, expenditures were less than expected. The General Fund's expenditures were 1.5% less than expected and other funds expenditures were under amounts budgeted, with variances ranging from 5.4-15.5%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Washington Parish Government's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$40,648,101. 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>2019</u>	<u>2020</u>	<u>Total Change 2019-2020</u>
Capital Assets Not Being Depreciated:			
Land	\$ 2,481,833	\$ 2,486,029	\$ 4,196
Construction-in-progress	<u>55,640</u>	<u>123,317</u>	<u>67,677</u>
 TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	 <u>2,537,473</u>	 <u>2,609,346</u>	 <u>71,873</u>
Other Capital Assets:			
Buildings	10,083,067	10,687,044	603,977
Equipment	8,237,132	8,406,941	169,809
Books	1,391,013	1,391,013	-
Asphalt roads	24,629,386	25,725,031	1,095,645
3-shot roads	10,011,408	10,344,920	333,512
Bridges and culverts	<u>28,583,599</u>	<u>28,583,599</u>	<u>-</u>
 TOTAL OTHER CAPITAL ASSETS	 <u>82,935,605</u>	 <u>85,138,548</u>	 <u>2,202,943</u>
 TOTAL CAPITAL ASSETS	 <u>\$ 85,473,078</u>	 <u>\$ 87,747,894</u>	 <u>\$ 2,274,816</u>

There was a net increase in capital assets in the amount of \$2,274,816 for the year ended December 31, 2020. Major capital asset events during the current fiscal year included the following:

- Blacktop (3 shot) surfacing of 10.08 miles of zipped up blacktop (3.2) and gravel (6.88) roads, at a cost of \$428,630.
- Asphalt overlay contracted with Barriere Construction for 12.73 miles at a cost of \$1,095,000.

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

For the Year Ended December 31, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION - CONTINUED

- Louisiana Department of Transportation and Development sidewalk project at a cost of \$513,932.
- Building modernization for Fleet Maintenance Shop at a cost of \$68,075.
- New and used road maintenance and construction equipment purchased at a cost of \$219,396.

Additional information on the Washington Parish Government's capital assets can be found in Note 8 on pages 43-44 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 2020.

- Sales tax revenues were budgeted based on 2020 projected actual amounts, which included an increase of 5-13%.
- Ad valorem taxes were budgeted based on the 2020 assessor's millage report, with a 3% increase projected.
- 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 2021, 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.

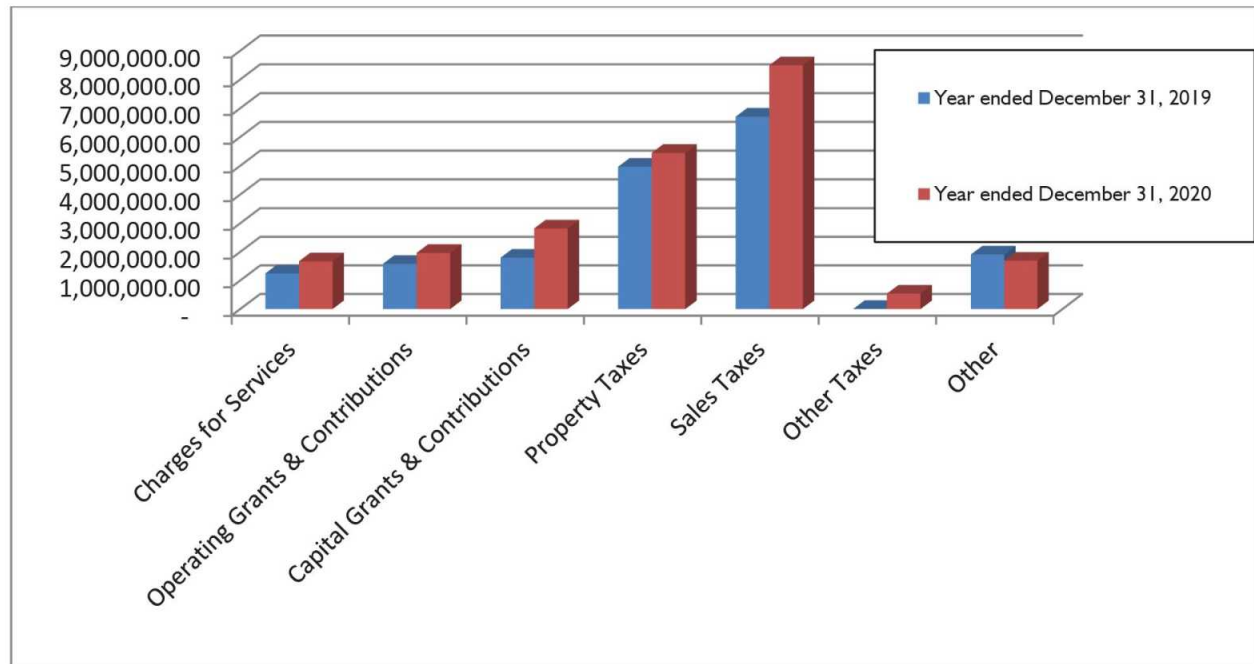
WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2020

REVENUES BY SOURCE

The following chart reflects the Parish's revenues for the years ended December 31, 2019 and 2020, by source:

<u>Revenues</u>	<u>2019</u>	<u>2020</u>	<u>Difference</u>
Charges for services	\$ 1,248,697	\$ 1,673,177	\$ 424,480
Operating grants and contributions	1,584,656	1,964,975	380,319
Capital grants and contributions	1,798,520	2,822,185	1,023,665
Property taxes	4,968,594	5,451,269	482,675
Sales taxes	6,709,393	8,494,804	1,785,411
Other taxes	9,044	542,810	533,766
Other	1,911,848	1,695,776	(216,072)
Total Revenues	\$ 18,230,752	\$ 22,644,996	\$ 4,414,244



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, 2020

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Cash	\$ 8,384,591	\$ 826,938	\$ 9,211,529
Investments	692,567	-	692,567
Receivables	7,367,208	397,301	7,764,509
Prepays	-	17,452	17,452
Notes receivable - net	-	5,467	5,467
Internal balances	(300,000)	300,000	-
Due from other governments	234,859	336,744	571,603
Restricted investments	-	531,494	531,494
Capital assets:			
Land	2,486,029	15,000	2,501,029
Construction-in-progress	123,317	-	123,317
Other capital assets, net of depreciation	38,038,755	3,174,321	41,213,076
TOTAL ASSETS	57,027,326	5,604,717	62,632,043
DEFERRED OUTFLOWS OF RESOURCES			
Changes in proportion and differences between contributions and proportionate share of contributions	24,891	-	24,891
Changes in assumptions related to pension	376,631	-	376,631
Changes in assumptions related to OPEB	208,367	-	208,367
Contributions subsequent to the measurement date	408,022	-	408,022
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,017,911	-	1,017,911
LIABILITIES			
Accounts payable	996,226	117,388	1,113,614
Landfill closure and post-closure care costs	-	1,207,049	1,207,049
OPEB liability	926,797	-	926,797
Net Pension Liability	26,967	-	26,967
Noncurrent liabilities			
Due within one year - compensated absences	128,824	22,246	151,070
TOTAL LIABILITIES	2,078,814	1,346,683	3,425,497
DEFERRED INFLOWS OF RESOURCES			
Changes in proportion and differences between contributions and proportionate share of contributions	849	-	849
Differences between expected and actual experience	241,415	-	241,415
Net difference between projected and actual earnings on pension plan investments	1,010,874	-	1,010,874
TOTAL DEFERRED INFLOWS OF RESOURCES	1,253,138	-	1,253,138
NET POSITION			
Net investment in capital assets	40,648,101	3,189,321	43,837,422
Restricted for:			
Capital projects	2,508,383	-	2,508,383
Health and welfare	910,894	-	910,894
Solid waste disposal	881,679	-	881,679
Closure and post-closure	-	675,555	675,555
Highways and bridges	6,512,375	-	6,512,375
Other purposes	2,712,571	213,493	2,926,064
Unrestricted	539,282	179,665	718,947
TOTAL NET POSITION	\$ 54,713,285	\$ 4,258,034	\$ 58,971,319

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

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	\$ 6,866,929	\$ 764,818	\$ 424,828	\$ 1,958,784	\$ (3,718,499)	\$ -	\$ (3,718,499)
Public Safety	1,300,610	-	95,744	-	(1,204,866)	-	(1,204,866)
Highways and Streets	6,891,788	-	822,839	863,401	(5,205,548)	-	(5,205,548)
Health and Welfare	907,561	-	517,482	-	(390,079)	-	(390,079)
Culture and Recreation	1,159,991	9,437	104,082	-	(1,046,472)	-	(1,046,472)
Total	17,126,879	774,255	1,964,975	2,822,185	(11,565,464)	-	(11,565,464)
Business-type Activities:							
Loan Program	742	-	-	-	-	(742)	(742)
Landfill	1,825,259	898,922	-	-	-	(926,337)	(926,337)
Total business-type activities	1,826,001	898,922	-	-	-	(927,079)	(927,079)
Total Primary Government	\$ 18,952,880	\$ 1,673,177	\$ 1,964,975	\$ 2,822,185	(11,565,464)	(927,079)	(12,492,543)
General Revenues and transfers:							
General Revenues:							
Property taxes, levied for general purpose					5,451,269	-	5,451,269
Sales taxes					8,494,804	-	8,494,804
State revenue sharing					198,764	-	198,764
Timber severance					211,480	-	211,480
Mineral severance					2,074	-	2,074
Other taxes					329,256	-	329,256
Fire insurance rebate					189,228	-	189,228
Licenses and permits					1,165,799	-	1,165,799
Unrestricted interest					15,865	6,123	21,988
Insurance proceeds					17,245	18,287	35,532
Pension contributions from non-employer contributing entities					46,358	-	46,358
Miscellaneous					38,107	-	38,107
Transfers					(1,526,498)	1,526,498	-
Total general revenues and transfers					14,633,751	1,550,908	16,184,659
Change in net position					3,068,287	623,829	3,692,116
Net position-beginning					51,644,998	3,634,205	55,279,203
Net position-ending					\$ 54,713,285	\$ 4,258,034	\$ 58,971,319

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

WASHINGTON PARISH GOVERNMENT

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2020

	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	HMGP Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash	\$ 8,010,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 373,856	\$ 8,384,591
Investments	-	-	207,975	-	-	-	484,592	692,567
Receivables	756,892	288,135	3,476,100	508,532	364,921	-	1,899,345	7,293,925
Due from other funds	-	159,371	2,945,635	702,944	2,147,070	-	905,519	6,860,539
Due from other governmental units	26,913	-	-	-	-	207,946	-	234,859
TOTAL ASSETS	\$ 8,794,540	\$ 447,506	\$ 6,629,710	\$ 1,211,476	\$ 2,511,991	\$ 207,946	\$ 3,663,312	\$ 23,466,481
LIABILITIES								
Accounts payable	\$ 340,707	\$ 83,584	\$ 117,335	\$ 122,400	\$ 3,618	\$ 207,946	\$ 120,636	\$ 996,226
Due to other funds	6,670,019	-	-	300,000	-	-	190,520	7,160,539
TOTAL LIABILITIES	7,010,726	83,584	117,335	422,400	3,618	207,946	311,156	8,156,765
FUND BALANCES								
Restricted	-	363,922	6,512,375	789,076	2,508,373	-	3,352,156	13,525,902
Committed	450,000	-	-	-	-	-	-	450,000
Unassigned	1,333,814	-	-	-	-	-	-	1,333,814
TOTAL FUND BALANCES	1,783,814	363,922	6,512,375	789,076	2,508,373	-	3,352,156	15,309,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,794,540	\$ 447,506	\$ 6,629,710	\$ 1,211,476	\$ 2,511,991	\$ 207,946	\$ 3,663,312	\$ 23,466,481

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2020

Total fund balances reported on the Balance Sheet of Governmental Funds	\$ 15,309,716
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	40,648,101
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The net effect of transactions involving ad valorem taxes	73,283
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Other post-employment benefits (OPEB) payable	(926,797)
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Compensated absences for current period	(128,824)
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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	(26,967)
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Deferred outflows of resources:

Change in assumptions related to pension	376,631
Change in assumptions related to OPEB	208,367
Contributions subsequent to the measurement date	408,022
Change in proportions	24,891

Deferred inflows of resources:

Differences between expected and actual experience	(241,415)
Net difference between projected and actual investment earnings on pension plan investments	(1,010,874)
Change in proportions	(849)

Total net position of governmental activities	<u>\$ 54,713,285</u>
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WASHINGTON PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	HMGP Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes								
Ad valorem	\$ 591,363	\$ -	\$ 2,957,364	\$ -	\$ -	\$ -	\$ 1,829,259	\$ 5,377,986
Sales	-	1,617,545	2,252,054	2,552,526	2,072,679	-	-	8,494,804
Other	48,967	-	173,698	-	-	-	106,591	329,256
Licenses and permits	1,165,799	-	-	-	-	-	-	1,165,799
Intergovernmental federal funds								
Federal grants	501,480	-	146,983	-	353,260	1,958,784	684,881	3,645,388
State funds								
Parish transportation funds	-	-	548,899	-	-	-	-	548,899
State revenue sharing	40,404	-	50,818	-	-	-	107,542	198,764
Other	717,884	-	70,679	-	34,737	-	136,485	959,785
Insurance proceeds	-	-	17,245	-	-	-	-	17,245
Fees, charges, etc.	540,110	-	-	-	-	-	75,809	615,919
Fines and penalties	-	-	-	-	-	-	157,771	157,771
Interest income	5,072	411	21,541	1,252	8,099	-	15,925	52,300
Other	9,600	14,638	1,947	-	-	-	11,922	38,107
TOTAL REVENUES	3,620,679	1,632,594	6,241,228	2,553,778	2,468,775	1,958,784	3,126,185	21,602,023
EXPENDITURES								
Current								
General government								
Legislative	198,508	-	-	-	-	-	-	198,508
Judicial	226,133	907,007	-	-	-	-	372,588	1,505,728
Executive	282,544	-	-	-	-	-	-	282,544
Elections	285,572	-	-	-	-	-	-	285,572
Finance and administrative	695,205	23,821	347,310	138,198	116,944	-	144,712	1,466,190
Other	837,405	-	-	-	-	-	-	837,405
Public Safety	304,896	635,800	-	-	-	-	204,476	1,145,172
Health and welfare	179,470	-	-	-	-	-	664,107	843,577
Highway and streets	-	-	4,242,929	-	34,736	-	-	4,277,665
Culture and recreation	81,935	-	-	-	-	-	995,910	1,077,845

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, 2020

	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	HMGP Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Capital outlay	21,184	-	142,990	-	2,209,143	1,958,784	633,173	4,965,274
TOTAL EXPENDITURES	3,112,852	1,566,628	4,733,229	138,198	2,360,823	1,958,784	3,014,966	16,885,480
Excess (deficiency) of revenues over expenditures	507,827	65,966	1,507,999	2,415,580	107,952	-	111,219	4,716,543
OTHER FINANCING SOURCES (USES)								
Operating transfers in	500,282	175,000	108,000	-	-	-	185,000	968,282
Operating transfers out	(345,000)	-	-	(1,708,000)	-	-	(441,780)	(2,494,780)
Excess sales tax split with other government entities	-	-	-	(122,400)	-	-	-	(122,400)
Total other financing sources (uses)	155,282	175,000	108,000	(1,830,400)	-	-	(256,780)	(1,648,898)
Net change in fund balance	663,109	240,966	1,615,999	585,180	107,952	-	(145,561)	3,067,645
Fund balances, beginning	1,120,705	122,956	4,896,376	203,896	2,400,421	-	3,497,717	12,242,071
Fund balances, ending	<u>\$ 1,783,814</u>	<u>\$ 363,922</u>	<u>\$ 6,512,375</u>	<u>\$ 789,076</u>	<u>\$ 2,508,373</u>	<u>\$ -</u>	<u>\$ 3,352,156</u>	<u>\$ 15,309,716</u>

The accompanying notes are an integral part of this statement.

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, 2020

Net change in fund balances – total governmental funds	\$ 3,067,645
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Amounts reported for *governmental activities* in the statement of activities are different because:

The net effect of transactions involving ad valorem taxes.	73,283
--	--------

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.	463,975
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The change in post-employment benefits obligation and associated deferred outflows are 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.	(76,908)
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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	(516,919)
Contributions from non-employer contributing entities	46,358

Some expenditures reported in the governmental funds are not reported as expenses in the statement of activities.	10,853
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Change in net position of governmental activities	<u>\$ 3,068,287</u>
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WASHINGTON PARISH GOVERNMENT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
CURRENT ASSETS			
Cash and cash equivalents	\$ 618,912	\$ 208,026	\$ 826,938
Tipping fees receivable (net of allowance of \$556)	397,280	-	397,280
Due from outside sources	21	-	21
Prepaid expenses	17,452	-	17,452
Due from other funds	300,000	-	300,000
TOTAL CURRENT ASSETS	<u>1,333,665</u>	<u>208,026</u>	<u>1,541,691</u>
NONCURRENT ASSETS			
Restricted assets - (Certificates of Deposit for landfill closure and post-closure care costs)	531,494	-	531,494
Due from City of Bogalusa	336,744	-	336,744
Notes receivable:			
Breedlove Farm, L.L.C.	-	872,187	872,187
Smith Creamery, L.L.C.	-	5,467	5,467
Less: allowance for doubtful accounts	-	(872,187)	(872,187)
Net notes receivable	<u>-</u>	<u>5,467</u>	<u>5,467</u>
Land	15,000	-	15,000
Construction-in-progress	-	-	-
Other capital assets, net of depreciation	<u>3,174,321</u>	<u>-</u>	<u>3,174,321</u>
TOTAL ASSETS	5,391,224	213,493	5,604,717
CURRENT LIABILITIES			
Accounts payable and accrued expenses	117,388	-	117,388
NONCURRENT LIABILITIES			
Landfill closure and post-closure care costs	1,207,049	-	1,207,049
Compensated absences	22,246	-	22,246
TOTAL NONCURRENT LIABILITIES	<u>1,229,295</u>	<u>-</u>	<u>1,229,295</u>
TOTAL LIABILITIES	1,346,683	-	1,346,683
NET POSITION			
Net investment in capital assets	3,189,321	-	3,189,321
Restricted for:			
Closure and post-closure	675,555	-	675,555
Other purposes	-	213,493	213,493
Unrestricted	<u>179,665</u>	<u>-</u>	<u>179,665</u>
TOTAL NET POSITION	<u>\$ 4,044,541</u>	<u>\$ 213,493</u>	<u>\$ 4,258,034</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, 2020

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
	<hr/>	<hr/>	<hr/>
OPERATING REVENUES			
Tipping fees	\$ 876,279	\$ -	\$ 876,279
Recycling fees	21,215	-	21,215
Interest	1,428	894	2,322
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	898,922	894	899,816
OPERATING EXPENSES			
Landfill operations	861,308	-	861,308
Depreciation	396,190	-	396,190
Recycling	14,376	-	14,376
Engineering and testing	105,399	-	105,399
Salaries and benefits	265,874	-	265,874
Insurance	31,343	-	31,343
Utilities	19,214	-	19,214
Repairs and maintenance	87,223	-	87,223
Office supplies	7,638	742	8,380
Legal	575	-	575
Accounting and auditing	15,991	-	15,991
Conference and travel	720	-	720
Telephone	2,562	-	2,562
Permits	15,390	-	15,390
Postage	130	-	130
Bank fees	1,070	-	1,070
Vehicles	256	-	256
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	1,825,259	742	1,826,001
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(926,337)	152	(926,185)
NON-OPERATING REVENUES			
Interest	5,229	-	5,229
Insurance claim proceeds	18,287	-	18,287
Transfers in	1,526,498	-	1,526,498
	<hr/>	<hr/>	<hr/>
TOTAL NON-OPERATING REVENUES	1,550,014	-	1,550,014
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	623,677	152	623,829
NET POSITION - BEGINNING OF YEAR	3,420,864	213,341	3,634,205
	<hr/>	<hr/>	<hr/>
NET POSITION - END OF YEAR	\$ 4,044,541	\$ 213,493	\$ 4,258,034
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 936,588	\$ -	\$ 936,588
Payments to suppliers	(2,391,621)	(742)	(2,392,363)
Principal received	-	1,681	1,681
Interest received	1,428	894	2,322
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,453,605)	1,833	(1,451,772)
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed asset purchases	(267,903)	-	(267,903)
Operating transfers in	2,070,556	-	2,070,556
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,802,653	-	1,802,653
NET INCREASE IN CASH AND CASH EQUIVALENTS	349,048	1,833	350,881
BALANCES - BEGINNING OF YEAR	269,864	206,193	476,057
BALANCES - END OF YEAR	\$ 618,912	\$ 208,026	\$ 826,938
RECONCILIATIONS OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Net operating income (loss)	\$ (926,337)	\$ 152	\$ (926,185)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	396,190	-	396,190
Increase in tipping fees receivable	(342,247)	-	(342,247)
Decrease in due from City of Bogalusa	381,341	-	381,341
Decrease in notes receivable	-	1,681	1,681
Decrease in accounts payable and accrued expenses	(904,567)	-	(904,567)
Increase in prepaid expenses	(1,035)	-	(1,035)
Decrease in landfill closure and post-closure care costs	(56,950)	-	(56,950)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (1,453,605)	\$ 1,833	\$ (1,451,772)

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2020

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 302 miles are asphalt, 490 miles are 3-shot, and 204 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.

These criteria include:

- 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, 2020

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, 2020

BLENDED 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, 2020

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.

During the year ended December 31, 2020, the Parish adopted GASB Statement No. 83 – "Certain Asset Retirement Obligations". This statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations (AROs), including obligations that may not have been previously reported. The Parish has not currently identified any capital assets that contain potential AROs.

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.

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 propriety funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2031.

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.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 **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.

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.

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. 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.

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.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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."

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

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

Business-type activities:

<u>Description</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Lives</u>
Landfill property	\$1,000	53.75 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.

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

In accordance with ordinance 19-661, the Parish adopted a revised and restated employee handbook, including the following vacation and sick time:

	<u>8-Hour Days</u>
1-2 years	5 days
3-7 years	10 days
8-14 years	15 days
15 years & greater	20 days

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences (Continued)

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.

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.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

K. 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.

L. 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, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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 approved a proposition 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 administering and maintaining 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 – 2020 Tax Period</u>	
	<u>Total</u>	<u>Final</u>
	<u>Collections</u>	<u>Distribution</u>
Town of Franklinton (15%)	\$ 108,000	\$ 108,000
Village of Angie (1%)	7,200	7,200
Village of Varnado (1%)	<u>7,200</u>	<u>7,200</u>
Totals	<u>\$ 122,400</u>	<u>\$ 122,400</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, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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, to be collected parish-wide, except in the Town of Franklinton, 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.

M. 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, 2020

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	2031
Courthouse Maintenance	1.03	2026
Health Unit Maintenance	<u>3.11</u>	2026
	<u>28.42</u>	

4. CASH AND INVESTMENTS

Cash

At December 31, 2020, the Parish Government had cash and cash equivalents (book balances) totaling \$9,211,529 as follows:

Interest-bearing demand deposits	\$ 9,211,429
Petty cash	<u>100</u>
Total	<u>\$ 9,211,529</u>

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

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, 2020, the Parish Government had \$10,723,720 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$12,985,559 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.

Hancock Whitney – Certificates of Deposits	\$ 965,187
Resource Bank:	
Certificates of Deposits	161,153
Cash held in Money Market Investment	<u>97,721</u>
 Total	 <u><u>\$ 1,224,061</u></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, 2020

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.

5. RECEIVABLES

Governmental Activities

The receivables of \$7,367,208 at December 31, 2020, 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	Other Governmental Funds	
Taxes:							
Ad Valorem	\$ 559,853	\$ -	\$ 2,797,226	\$ -	\$ -	\$ 1,755,820	\$ 5,112,899
Sales and Use	-	286,637	610,861	508,532	330,185	-	1,736,215
Intergovernmental:							
State	157,527	-	41,007	-	-	130,220	328,754
Local	42,114	1,498	70,679	-	34,736	40,313	189,340
TOTAL	<u>\$ 759,494</u>	<u>\$ 288,135</u>	<u>\$ 3,519,773</u>	<u>\$ 508,532</u>	<u>\$ 364,921</u>	<u>\$ 1,926,353</u>	<u>\$ 7,367,208</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 \$401,292 represent fees billed through December 31, 2020, but not yet collected. The allowance for doubtful accounts on these receivables at December 31, 2020 was \$4,012.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

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, 2020:

Breedlove Farm, L.L.C.	\$ 872,187
Smith Creamery, L.L.C.	5,467
Allowance for doubtful account	<u>(872,187)</u>
Notes receivable, net of allowance for doubtful account	<u>\$ 5,467</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 \$2,444,149 as of December 31, 2020. It is estimated that \$981,751 will be recognized as closure costs, which is based on 58.60% 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 \$1,462,398 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 \$2,059,648 as of December 31, 2020. 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 a decrease in costs between the end of 2019 and the end of 2020.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

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:

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

Expressed in numbers, the formula produces a benefit for 2020 as follows:

$$\$2,059,648 \times \frac{31.5 \text{ yrs.}}{53.75 \text{ yrs.}} = \$1,207,049 - 1,263,999 = \$56,950$$

At December 31, 2020, the Landfill had invested \$531,494 in certificates of deposit for landfill closure and post-closure care costs.

8. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2020:

Business-type Activities:

	Balance at 01/01/20	Additions	Deletions	Balance at 12/31/20
Capital assets not being depreciated				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Construction in progress	<u>1,900,482</u>	<u>267,903</u>	<u>(2,168,385)</u>	<u>-</u>
	1,915,482	267,903	(2,168,385)	15,000
Other Capital Assets				
Land	292,712	-	-	292,712
Buildings	233,376	-	-	233,376
Cells and land work	6,036,676	2,168,385	-	8,205,061
Drop off facility	185,575	-	-	185,575
Equipment	<u>484,126</u>	<u>-</u>	<u>-</u>	<u>484,126</u>
	<u>7,232,465</u>	<u>2,168,385</u>	<u>-</u>	<u>9,400,850</u>
TOTAL CAPITAL ASSETS	9,147,947	2,436,288	(2,168,385)	9,415,850
ACCUMULATED DEPRECIATION	<u>(5,830,339)</u>	<u>(396,190)</u>	<u>-</u>	<u>(6,226,529)</u>
TOTAL CAPITAL ASSETS, NET	<u>\$ 3,317,608</u>	<u>\$ 2,040,098</u>	<u>\$ (2,168,385)</u>	<u>\$ 3,189,321</u>

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

8. CAPITAL ASSETS (Continued)

Governmental Activities

	Balance 12/31/19	Increases	Decreases	Balance 12/31/20
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,481,833	\$ 12,360	\$ (8,164)	\$ 2,486,029
Construction in progress	<u>55,640</u>	<u>581,609</u>	<u>(513,932)</u>	<u>123,317</u>
Total capital assets not being depreciated	2,537,473	593,969	(522,096)	2,609,346
Other capital assets:				
Buildings	10,083,067	644,936	(40,959)	10,687,044
Equipment	8,237,132	219,396	(49,587)	8,406,941
Books	1,391,013	-	-	1,391,013
Asphalt roads	24,629,386	1,095,645	-	25,725,031
3-shot roads	10,011,408	428,629	(95,117)	10,344,920
Bridges and culverts	<u>28,583,599</u>	<u>-</u>	<u>-</u>	<u>28,583,599</u>
	82,935,605	2,388,606	(185,663)	85,138,548
Less accumulated depreciation for:				
Buildings	(5,804,556)	(281,170)	34,149	(6,051,577)
Equipment	(5,662,649)	(415,482)	49,587	(6,028,544)
Books	(1,391,013)	-	-	(1,391,013)
Asphalt roads	(19,756,041)	(673,168)	-	(20,429,209)
3-shot roads	(4,001,259)	(469,898)	95,117	(4,376,040)
Bridges and culverts	<u>(8,159,502)</u>	<u>(663,908)</u>	<u>-</u>	<u>(8,823,410)</u>
Total accumulated depreciation	<u>(44,775,020)</u>	<u>(2,503,626)</u>	<u>178,853</u>	<u>(47,099,793)</u>
Other capital assets, net	<u>38,160,585</u>	<u>(115,020)</u>	<u>(6,810)</u>	<u>38,038,755</u>
Totals	<u>\$ 40,698,058</u>	<u>\$ 478,949</u>	<u>\$ (528,906)</u>	<u>\$ 40,648,101</u>

Depreciation expense of \$2,503,626 for the year ended December 31, 2020, was charged to the following governmental functions:

General government	\$ 73,554
Public safety	161,934
Highways and streets	2,108,229
Health and welfare	63,984
Culture and recreation	<u>95,925</u>
	<u>\$ 2,503,626</u>

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

8. CAPITAL ASSETS (Continued)

The State of Louisiana through their Off-System Bridge Replacement Program, did not replace bridges and culverts throughout Washington Parish during the year ended December 31, 2020.

9. INTERFUND TRANSFERS

Details about interfund transfers from other funds during 2020 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	\$ -	\$ -	\$ 175,000	\$ 170,000	\$ -	\$ 345,000
Sales Tax Split .67 Fund	500,000	108,000	-	-	1,100,000	1,708,000
Nonmajor Governmental Funds	<u>282</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>426,498</u>	<u>441,780</u>
TOTAL	<u>\$ 500,282</u>	<u>\$ 108,000</u>	<u>\$ 175,000</u>	<u>\$ 185,000</u>	<u>\$ 1,526,498</u>	<u>\$ 2,494,780</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 2020, the state paid salaries of \$240,715 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, 2020

11. CHANGES IN GENERAL LONG-TERM LIABILITIES

Governmental Activities

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

	<u>Balance</u> <u>01/01/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/20</u>	<u>Current</u> <u>Portion</u>
Compensated absences	\$ 118,622	\$ 11,072	\$ (870)	\$ 128,824	\$ 128,824
TOTAL	<u>\$ 118,622</u>	<u>\$ 11,072</u>	<u>\$ (870)</u>	<u>\$ 128,824</u>	<u>\$ 128,824</u>

Business-type Activities

The Choctaw Road Landfill Fund has \$22,246 accrued for compensated absences as of December 31, 2020 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. 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 12.25% for the period ended December 31, 2020.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

12. PENSION PLAN (Continued)

General Information about the Pension Plan (continued)

Contributions to the System from the Parish were \$408,022 for the year ended December 31, 2020.

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, 2020, the Parish reported a liability of \$26,967 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, 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, 2020 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Parish's proportion was 0.572863%, which was an increase of 0.015913% from its proportion measured as of December 31, 2018. For the year ended December 31, 2020, the Parish recognized pension expense of \$516,919. At December 31, 2020, the Parish 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, 2020

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	\$ -	\$ 241,415
Changes of assumptions	376,631	-
Changes in proportion	24,891	849
Net difference between projected and actual investment earnings on pension plan investments	-	1,010,874
Contributions subsequent to the measurement date	408,022	-
	<u>\$ 809,544</u>	<u>\$ 1,253,138</u>

\$408,022 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, 2021	\$ (185,297)
December 31, 2022	(243,086)
December 31, 2023	31,875
December 31, 2024	(455,108)

Actuarial Assumptions - The total pension liability in the December 31, 2019 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, 2020

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 7.18% for the year ended December 31, 2019.

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, 2019 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%	1.05%
Equity	52.00%	3.41%
Alternatives	11.00%	0.61%
Real Assets	2.00%	0.11%
Total	100.00%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

12. PENSION PLAN (Continued)

Mortality Rate - The mortality rate assumption used in the December 31, 2019, 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 (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
The Parish's Proportionate Share of the Net Pension Liability	\$ 2,914,665	\$ 26,967	\$(2,392,867)

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, 2020 the Parish had a payable of \$212,454 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, 2020

13. FUND BALANCES

Governmental Funds:

Description:	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Funds	Capital Projects Fund		
Fund Balances:					
Committed for emergency and disaster response	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000
Restricted for:					
Sales taxes	-	1,152,998	-	92,603	1,245,601
Ad valorem taxes	-	-	-	1,855,589	1,855,589
Road improvement	-	-	2,508,373	10	2,508,383
Emergency preparedness	-	-	-	51,130	51,130
Disaster relief	-	-	-	6,775	6,775
Health services	-	-	-	910,894	910,894
Courthouse maintenance	-	-	-	115,090	115,090
Criminal court	-	-	-	49,301	49,301
Parish transportation	-	6,512,375	-	-	6,512,375
Recreation	-	-	-	152,869	152,869
Special witnesses	-	-	-	29,029	29,029
Criminal jury	-	-	-	88,866	88,866
Unassigned:	<u>1,333,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333,814</u>
Total Fund Balances	<u>\$ 1,783,814</u>	<u>\$ 7,665,373</u>	<u>\$ 2,508,373</u>	<u>\$ 3,352,156</u>	<u>\$ 15,309,716</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

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Richard N. Thomas, Jr.	Parish President	\$ 166,881
Joseph Lee Culpepper	Parish Council District 1	11,850
Shawn Rice	Parish Council District 2	11,550
Kim Wagner	Parish Council District 3	11,850
Clark Harry	Parish Council District 4	11,700
Thomas Russell Fornea	Parish Council District 5	14,250
Reginald McMasters	Parish Council District 6	11,850
Carley King	Parish Council District 7	11,400

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

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, 2020:

Hazard Mitigation Grant	\$ 1,958,784
Community Development Block Grant expenditures	510,141
U.S. Department of Transportation	
Washington Parish Council on Aging expenditures	464,437
Highway Planning and Construction	353,260

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

19. POST EMPLOYMENT BENEFITS

HEALTH INSURANCE

Plan Description

In accordance with the revised and restated employee handbook adopted by ordinance 19-661 in 2020, the Parish provides health care benefits to its employees upon retirement. 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, 2020, 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	30
	<u>30</u>

In the year ended December 31, 2020, the Parish did not contribute for retired employees.

Total OPEB Liability

The Parish's total OPEB liability of \$926,797 was measured as of December 31, 2020.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued) As of and for the Year Ended December 31, 2020

19. POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and other inputs – The total OPEB liability as of December 31, 2020 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	2.12%

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, 2020, 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). 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 \$1,192 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). 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, 2020

19. POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$ 1,037,321
Changes for the year:	
Service cost	48,107
Interest	1,020
Amortization component	27,781
Changes in assumptions	<u>(187,432)</u>
Net changes	<u>(110,524)</u>
Balance at December 31, 2020	<u>\$ 926,797</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 (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 1,096,678	\$ 926,797	\$ 791,636

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	\$ 762,775	\$ 926,797	\$ 1,106,458

OPEB Expense

For the year ended December 31, 2020, the Parish recognized an OPEB Benefit of \$76,908.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2020

20. COMMITMENTS

The Parish executed a contract with Loumis Air, LLC on November 19, 2020, in the amount of \$677,290 for the Courthouse HVAC Modernization Project. This project is funded partially by an appropriation from State of Louisiana Capital Outlay in the amount of \$345,000. (40.42% of the construction contract) The remainder of the project is funded by Washington Parish Government general funds. On December 31, 2020, the project is approximately 12% complete.

The Louisiana Office of Community Development (OCD) performed a compliance review on a federally funded cost share program sponsored by the Community Development Block Grant – Disaster Recovery program providing the 25% match for home elevations. Their procedures revealed a possible questioned federal cost concerning the parish's procurement process for project management services. If this finding stands after the Parish's clarification of procedures performed, and the reimbursement to the Parish is determined to be ineligible, the Parish must remit a check for \$6,000 back to OCD. The status of this finding is pending as of the date of this report.

21. COVID-19

During March 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. There were many mandates from international, federal, state, and local authorities requiring forced closures of various schools, businesses, other facilities, and organizations. While this situation could have negatively impacted the Parish, on a financial basis, the Parish experienced a 15% increase in sales tax collections due to people shopping at home and online, doing home improvement projects, and purchasing items for outdoor use. Small businesses adapted to the restrictions forcing closures or limited capacities offering curbside pickup and other purchasing options. Federal government assistance to businesses and individuals aided in sustaining the local rural economy.

22. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 10, 2021, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2020 that required recognition or disclosure in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 562,000	\$ 602,000	\$ 591,363	\$ (10,637)
Other	3,800	3,800	48,967	45,167
Licenses and permits	645,700	1,169,700	1,165,799	(3,901)
Intergovernmental federal funds				
Federal grants	218,000	420,300	501,480	81,180
State funds				
State revenue sharing	39,000	39,000	40,404	1,404
Other	582,900	728,200	717,884	(10,316)
Fees, charges, etc.	461,000	475,200	540,110	64,910
Interest income	19,200	6,500	5,072	(1,428)
Other	9,600	9,600	9,600	-
TOTAL REVENUES	2,541,200	3,454,300	3,620,679	166,379
EXPENDITURES				
Current				
General government				
Legislative	209,700	206,000	198,508	7,492
Judicial	237,500	225,100	226,133	(1,033)
Executive	287,500	281,300	282,544	(1,244)
Elections	239,300	257,900	285,572	(27,672)
Finance and administrative	632,900	696,500	695,205	1,295
Other	630,500	762,300	837,405	(75,105)
Public Safety	302,500	302,500	304,896	(2,396)
Health and welfare	148,300	217,800	179,470	38,330
Culture and recreation	28,100	175,300	81,935	93,365
Capital outlay	90,000	33,000	21,184	11,816
TOTAL EXPENDITURES	2,806,300	3,157,700	3,112,852	44,848
Excess (Deficiency) of revenues over expenditures	(265,100)	296,600	507,827	211,227
OTHER FINANCING SOURCES (USES)				
Operating transfers in	500,000	500,000	500,282	282
Operating transfers out	(345,000)	(345,000)	(345,000)	-
Total other financing sources	155,000	155,000	155,282	282
Net change in fund balances	(110,100)	451,600	663,109	211,509
Fund balances, beginning	1,090,056	1,120,705	1,120,705	-
Fund balances, ending	<u>\$ 979,956</u>	<u>\$ 1,572,305</u>	<u>\$ 1,783,814</u>	<u>\$ 211,509</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
CRIMINAL JUSTICE SALES TAX FUND
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,378,900	\$ 1,400,000	\$ 1,617,545	\$ 217,545
Other	13,400	13,400	14,638	1,238
Interest income	1,000	1,000	411	(589)
TOTAL REVENUES	1,393,300	1,414,400	1,632,594	218,194
EXPENDITURES				
Current				
General government				
Judicial	960,100	960,100	907,007	53,093
Finance and administrative	22,500	22,500	23,821	(1,321)
Public Safety	674,000	674,000	635,800	38,200
TOTAL EXPENDITURES	1,656,600	1,656,600	1,566,628	89,972
Excess (Deficiency) of revenues over expenditures	(263,300)	(242,200)	65,966	308,166
OTHER FINANCING SOURCES				
Operating transfers in	175,000	175,000	175,000	-
Total other financing sources	175,000	175,000	175,000	-
Net change in fund balances	(88,300)	(67,200)	240,966	308,166
Fund balances, beginning	108,695	122,956	122,956	-
Fund balances, ending	\$ 20,395	\$ 55,756	\$ 363,922	\$ 308,166

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
SALES TAX SPLIT .67% FUND
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,987,000	\$ 2,138,200	\$ 2,552,526	\$ 414,326
Interest income	27,000	1,500	1,252	(248)
TOTAL REVENUES	2,014,000	2,139,700	2,553,778	414,078
EXPENDITURES				
Finance & administrative	109,800	116,900	138,198	(21,298)
TOTAL EXPENDITURES	109,800	116,900	138,198	(21,298)
Excess of revenues over expenditures	1,904,200	2,022,800	2,415,580	392,780
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(1,668,000)	(1,668,000)	(1,708,000)	(40,000)
Excess sales tax split with other government entities	(122,400)	(122,400)	(122,400)	-
Total other financing uses	(1,790,400)	(1,790,400)	(1,830,400)	(40,000)
Net change in fund balances	113,800	232,400	585,180	352,780
Fund balances, beginning	583,736	203,896	203,896	-
Fund balances, ending	<u>\$ 697,536</u>	<u>\$ 436,296</u>	<u>\$ 789,076</u>	<u>\$ 352,780</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
PARISH TRANSPORTATION FUND
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 2,770,000	\$ 2,923,000	\$ 2,957,364	\$ 34,364
Sales	1,581,000	1,708,000	2,252,054	544,054
Other	5,500	1,370	173,698	172,328
Intergovernmental federal funds				
Federal grants	-	154,500	146,983	(7,517)
State funds				
Parish transportation funds	625,000	550,000	548,899	(1,101)
State revenue sharing	49,000	49,000	50,818	1,818
Other	50,000	70,600	70,679	79
Interest income	57,500	24,300	21,541	(2,759)
Insurance proceeds	-	17,000	17,245	245
Other	3,500	3,500	1,947	(1,553)
TOTAL REVENUES	5,141,500	5,501,270	6,241,228	739,958
EXPENDITURES				
Current				
Finance and administrative	263,000	269,300	347,310	(78,010)
Highway and streets	4,848,000	4,562,900	4,242,929	319,971
Capital outlay	178,000	233,000	142,990	90,010
TOTAL EXPENDITURES	5,289,000	5,065,200	4,733,229	331,971
Excess (deficiency) of revenues over expenditures	(147,500)	436,070	1,507,999	1,071,929
OTHER FINANCING SOURCES (USES)				
Operating transfers in	108,000	108,000	108,000	-
Total other financing sources	108,000	108,000	108,000	-
Net change in fund balances	(39,500)	544,070	1,615,999	1,071,929
Fund balances, beginning	4,866,550	4,896,376	4,896,376	-
Fund balances, ending	<u>\$ 4,827,050</u>	<u>\$ 5,440,446</u>	<u>\$ 6,512,375</u>	<u>\$ 1,071,929</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT FUND
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,789,000	\$ 1,835,000	\$ 2,072,679	\$ 237,679
Intergovernmental federal funds				
Federal grants	-	352,000	353,260	1,260
State funds				
Other	-	33,200	34,737	1,537
Interest income	54,000	9,000	8,099	(901)
TOTAL REVENUES	1,843,000	2,229,200	2,468,775	239,575
EXPENDITURES				
Current				
General government				
Finance and administrative	103,900	103,000	116,944	(13,944)
Highway and streets	-	-	34,736	(34,736)
Capital outlay	2,810,000	2,691,600	2,209,143	482,457
TOTAL EXPENDITURES	2,913,900	2,794,600	2,360,823	433,777
Excess (deficiency) of revenues over expenditures	(1,070,900)	(565,400)	107,952	673,352
Net change in fund balances	(1,070,900)	(565,400)	107,952	673,352
Fund balances, beginning	2,282,029	2,400,421	2,400,421	-
Fund balances, ending	<u>\$ 1,211,129</u>	<u>\$ 1,835,021</u>	<u>\$ 2,508,373</u>	<u>\$ 673,352</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
HMGP GRANT FUND
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal grants	\$ 5,513,000	\$ 1,999,500	\$ 1,958,784	\$ (40,716)
TOTAL REVENUES	5,513,000	1,999,500	1,958,784	(40,716)
EXPENDITURES				
Capital outlay	5,513,000	1,999,500	1,958,784	40,716
TOTAL EXPENDITURES	5,513,000	1,999,500	1,958,784	40,716
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON PARISH
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND
RELATED RATIOS AND NOTES TO THE SCHEDULE
FOR THE YEARS ENDED DECEMBER 31, 2018 through 2020

Total OPEB Liability	2018	2019	2020
Service cost	\$ 31,570	\$ 46,066	\$ 48,107
Interest	1,291	1,262	1,020
Changes in assumptions	(33,253)	430,037	(187,432)
Amortization component	-	-	27,781
Net change in total OPEB liability	(392)	477,365	(110,524)
Total OPEB liability – beginning	560,348	559,956	1,037,321
Total OPEB liability – ending	\$ 559,956	\$ 1,037,321	\$ 926,797
Covered-employee payroll	\$ 3,797,094	\$ 3,598,527	\$ 3,891,281
Total OPEB liability as a percentage of covered-employee payroll	14.75%	28.83%	23.82%

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 Schedule:

Benefit changes – There were no changes of benefit terms for the years ended December 31, 2018 through 2020.

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. There were changes in assumptions related to the change in the discount rate from 2.74% at the beginning of the measurement period to 2.12% as of December 31, 2020.

As of December 31, 2018 through 2020, 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, 2020 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%
12/31/2020	0.572863%	26,967	3,227,991	0.84%	99.89%

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
For the Years Ended December 31, 2020 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%
12/31/2020	408,022	408,022	-	3,227,991	12.64%

OTHER SUPPLEMENTARY INFORMATION

WASHINGTON PARISH GOVERNMENT

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2020

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 and animal shelter 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 funded by federal and state grants.

WASHINGTON PARISH GOVERNMENT
NONMAJOR GOVERNMENTAL FUNDS-CONTINUED
December 31, 2020

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, donations, federal and state grants and covers all the costs of its expenses. The Parish Government is responsible for the accounting and financial reporting.

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.

Library Fund – 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.

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.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue Funds					
	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
ASSETS						
Cash	\$ -	\$ -	\$ 84,294	\$ -	\$ -	\$ -
Investments	-	-	-	65,616	97,721	-
Receivables	-	654	4,572	276,319	615,172	15,901
Due from other funds	6,775	28,375	-	-	219,860	42,253
TOTAL ASSETS	<u>\$ 6,775</u>	<u>\$ 29,029</u>	<u>\$ 88,866</u>	<u>\$ 341,935</u>	<u>\$ 932,753</u>	<u>\$ 58,154</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 39,079	\$ 21,859	\$ 8,853
Due to other funds	-	-	-	187,766	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,845</u>	<u>21,859</u>	<u>8,853</u>
FUND BALANCES						
Restricted	6,775	29,029	88,866	115,090	910,894	49,301
TOTAL FUND BALANCES	<u>6,775</u>	<u>29,029</u>	<u>88,866</u>	<u>115,090</u>	<u>910,894</u>	<u>49,301</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,775</u>	<u>\$ 29,029</u>	<u>\$ 88,866</u>	<u>\$ 341,935</u>	<u>\$ 932,753</u>	<u>\$ 58,154</u>

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS (Continued)
December 31, 2020

	Special Revenue Funds				Capital Projects Fund		
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	Library Fund	LCDBG Fund	LCDBG Water Improvements Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash	\$ -	\$ 157,492	\$ -	\$ 132,060	\$ -	\$ 10	\$ 373,856
Investments	-	-	-	321,255	-	-	484,592
Receivables	57,640	-	-	909,901	-	19,186	1,899,345
Due from other funds	-	-	92,603	515,653	-	-	905,519
TOTAL ASSETS	<u>\$ 57,640</u>	<u>\$ 157,492</u>	<u>\$ 92,603</u>	<u>\$ 1,878,869</u>	<u>\$ -</u>	<u>\$ 19,196</u>	<u>\$ 3,663,312</u>
LIABILITIES							
Accounts payable	\$ 3,756	\$ 4,623	\$ -	\$ 23,280	\$ -	\$ 19,186	\$ 120,636
Due to other funds	2,754	-	-	-	-	-	190,520
TOTAL LIABILITIES	<u>6,510</u>	<u>4,623</u>	<u>-</u>	<u>23,280</u>	<u>-</u>	<u>19,186</u>	<u>311,156</u>
FUND BALANCES							
Restricted	<u>51,130</u>	<u>152,869</u>	<u>92,603</u>	<u>1,855,589</u>	<u>-</u>	<u>10</u>	<u>3,352,156</u>
TOTAL FUND BALANCES	<u>51,130</u>	<u>152,869</u>	<u>92,603</u>	<u>1,855,589</u>	<u>-</u>	<u>10</u>	<u>3,352,156</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57,640</u>	<u>\$ 157,492</u>	<u>\$ 92,603</u>	<u>\$ 1,878,869</u>	<u>\$ -</u>	<u>\$ 19,196</u>	<u>\$ 3,663,312</u>

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Special Revenue Funds					
	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
REVENUES						
Taxes						
Ad valorem	\$ -	\$ -	\$ -	\$ 215,576	\$ 650,915	\$ -
Other	-	-	-	12,562	37,929	-
Intergovernmental federal funds						
Federal grants	-	-	-	2,245	12,364	-
State funds						
State revenue sharing	-	-	-	12,674	38,267	-
Other	-	-	-	93,499	-	-
Fees, charges, etc.	-	7,411	54,101	-	6,639	-
Fines and penalties	-	-	-	-	-	156,557
Interest income	21	124	180	1,100	3,630	125
Other	-	-	-	-	-	-
Total revenues	21	7,535	54,281	337,656	749,744	156,682
EXPENDITURES						
Current						
General government						
Judicial	-	1,350	17,621	186,748	-	166,869
Finance and administrative	-	-	-	16,885	51,395	-
Public Safety	-	-	-	36,304	-	-
Health and welfare	-	-	-	-	664,107	-
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, 2020

	Special Revenue Funds					
	Disaster Relief Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
Capital outlay	-	-	-	76,659	-	-
Total expenditures	-	1,350	17,621	316,596	715,502	166,869
Excess (deficiency) of revenues over expenditures	21	6,185	36,660	21,060	34,242	(10,187)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	80,000	-	15,000
Operating transfers out	-	(15,000)	-	-	-	-
Total other financing sources (uses)	-	(15,000)	-	80,000	-	15,000
Net change in fund balances	21	(8,815)	36,660	101,060	34,242	4,813
Fund balances, beginning	6,754	37,844	52,206	14,030	876,652	44,488
Fund balances, ending	<u>\$ 6,775</u>	<u>\$ 29,029</u>	<u>\$ 88,866</u>	<u>\$ 115,090</u>	<u>\$ 910,894</u>	<u>\$ 49,301</u>

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, 2020

	Special Revenue Funds				Capital Project Funds		
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	Library Fund	LCDBG Fund	LCDBG Water Improvements Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes							
Ad valorem	\$ -	\$ -	\$ -	\$ 962,768	\$ -	\$ -	\$ 1,829,259
Other	-	-	-	56,100	-	-	106,591
Intergovernmental federal funds							
Federal grants	99,035	-	-	61,096	-	510,141	684,881
State funds							
State revenue sharing	-	-	-	56,601	-	-	107,542
Other	-	-	-	42,986	-	-	136,485
Fees, charges, etc.	-	-	-	7,658	-	-	75,809
Fines and penalties	-	-	-	1,214	-	-	157,771
Interest income	50	565	754	9,368	8	-	15,925
Other	1,500	660	-	9,762	-	-	11,922
Total revenues	100,585	1,225	754	1,207,553	8	510,141	3,126,185
EXPENDITURES							
Current							
General government							
Judicial	-	-	-	-	-	-	372,588
Finance and administrative	-	-	-	76,432	-	-	144,712
Public Safety	168,172	-	-	-	-	-	204,476
Health and welfare	-	-	-	-	-	-	664,107
Culture and recreation	-	11,891	-	984,019	-	-	995,910

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, 2020

	Special Revenue Funds				Capital Project Funds		
	Office of Homeland Security & Emergency Preparedness Fund	Recreation District #1 Fund	Sales Tax Split 1% Fund	Library Fund	LCDBG Fund	LCDBG Water Improvements Fund	Total Nonmajor Governmental Funds
Capital outlay	-	-	-	46,373	-	510,141	633,173
Total expenditures	168,172	11,891	-	1,106,824	-	510,141	3,014,966
Excess (deficiency) of revenues over expenditures	(67,587)	(10,666)	754	100,729	8	-	111,219
OTHER FINANCING SOURCES (USES)							
Operating transfers in	90,000	-	-	-	-	-	185,000
Operating transfers out	-	-	(426,498)	-	(282)	-	(441,780)
Total other financing sources (uses)	90,000	-	(426,498)	-	(282)	-	(256,780)
Net change in fund balances	22,413	(10,666)	(425,744)	100,729	(274)	-	(145,561)
Fund balances, beginning	28,717	163,535	518,347	1,754,860	274	10	3,497,717
Fund balances, ending	<u>\$ 51,130</u>	<u>\$ 152,869</u>	<u>\$ 92,603</u>	<u>\$ 1,855,589</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 3,352,156</u>

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT

SCHEDULE OF COMPENSATION, BENEFITS, AND

OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2020

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

Salary	\$	166,881
Benefits – retirement		20,443
Benefits – insurance		14,764
Vehicle provided by government		4,191
Conference travel		1,034
Telephone		<u>525</u>
Total	\$	<u>207,838</u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
GENERAL FUND
For the Year Ended December 31, 2020

	First Six Month Period Ended <u>6/30/20</u>	Second Six Month Period Ended <u>12/31/20</u>
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ 1,115	\$ 1,006
Bogalusa City Court - Criminal Fines - Other	<u>5,617</u>	<u>5,286</u>
Total receipts	<u>\$ 6,732</u>	<u>\$ 6,292</u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
SPECIAL WITNESS FUND
For the Year Ended December 31, 2020

	First Six Month Period Ended <u>6/30/20</u>	Second Six Month Period Ended <u>12/31/20</u>
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ <u>4,171</u>	\$ <u>3,288</u>
Total receipts	\$ <u>4,171</u>	\$ <u>3,288</u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
CRIMINAL JURY FUND
For the Year Ended December 31, 2020

	First Six Month Period Ended <u>6/30/20</u>	Second Six Month Period Ended <u>12/31/20</u>
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ <u>30,648</u>	\$ <u>24,065</u>
Total receipts	\$ <u><u>30,648</u></u>	\$ <u><u>24,065</u></u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
CRIMINAL COURT FUND
For the Year Ended December 31, 2020

	First Six Month Period Ended <u>6/30/20</u>	Second Six Month Period Ended <u>12/31/20</u>
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ 57,703	\$ 52,722
Washington Parish Sheriff – Bond Fees	<u>18,364</u>	<u>17,868</u>
Total receipts	<u>\$ 76,067</u>	<u>\$ 70,590</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, 2020, 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 10, 2021.

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 10, 2021

**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, 2020. 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the 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 10, 2021

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Award Number	Federal CFDA Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Homeland Security				
Passed through Governor's Office of Homeland Security and Emergency Preparedness:				
Emergency Management Performance	EMT-2020-EP-00001-S01	97.042	\$ -	\$ 28,682
Homeland Security Grant Program	EMW-2019-SS-00014-S01	97.067	-	41,104
Hazard Mitigation Grant Program	4080-117-0001	97.039	-	94,500
Hazard Mitigation Grant Program	1603-117-0019	97.039	-	<u>1,864,284</u>
Total Department of Homeland Security			-	2,028,570
U.S. Department of Housing and Urban Development				
Passed through State Office of Community Development:				
Community Development Block Grant	B19-DC-22-0001	14.228	-	<u>510,141</u>
Total Department of Housing and Urban Development			-	510,141
U.S. Department of Transportation				
Passed through State Department of Transportation and Development:				
Formula Grants for Rural Areas	LA 2019-011 **	20.509	39,034	39,034
COVID-19-Formula Grants for Rural Areas	LA 2019-011 **	20.509	154,000	154,000
Formula Grants for Rural Areas	LA 2020-007 **	20.509	271,403	271,403
Highway Planning and Construction Cluster:				
Highway Planning and Construction	H011835 **	20.205	-	<u>353,260</u>
Total Department of Transportation			464,437	817,697
U.S. Department of Health and Human Services				
Passed through State Department of Health and Hospitals:				
Hospital Preparedness Program and Public Health Emergency Preparedness	723936	93.074	-	<u>17,161</u>
Total Department of Health and Human Services			-	17,161
U.S. Department of the Treasury				
Direct Program:				
COVID-19-Coronavirus Relief Fund	NONE	21.019	-	<u>271,819</u>
Total Department of the Treasury			-	<u>271,819</u>
Total Expenditures of Federal Awards			<u>\$ 464,437</u>	<u>\$ 3,645,388</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, 2020

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, 2020, 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, 2020, 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, 2020.

WASHINGTON PARISH GOVERNMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued: Adverse (Due to omission of discretely presented component units)

Internal Control Over Financial Reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ☒ Yes ☐ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
20.509	Formula Grants for Rural Areas and Tribal Transit Program

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued
For the Year Ended December 31, 2020

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?

X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2020-001 – Compliance with Federal and State Laws, Regulations & Guidelines

Award Year: 2018 (funds expended and included on Schedule of Expenditures of Federal Awards for year ended December 31, 2018)

14.228 – Community Development Block Grant

Compliance Requirement: Matching, Level of Effort, Earmarking

Repeat Finding: No

Criteria

Management is required to comply with all applicable federal and state laws, regulations, established policy, and the guidance provided by the U.S. Department of Housing and Urban Development (HUD), and the Louisiana Office of Community Development (OCD), Community Development Block Grant – Disaster Recovery (CDBG-DR) Grantee Administrative Manual (Admin Manual).

Condition

During our audit we became aware that on September 29, 2020 the OCD conducted a compliance review of the Parish's grant administration and Hazard Mitigation Assistance Cost Share for LMI Project (59VHCSI102) for the third quarter of 2020. This review resulted in the following findings:

- Qualified homeowner files showed no evidence of current NFIP flood insurance as required by Section I, Exhibit I-3 of the Admin Manual. OCD cleared this finding subsequent to December 31, 2020, in a letter dated 5/25/21.
- The Parish's procurement and contract files reveal that project-specific procurement and contracting activities were not performed for 59VHCSI102 as required by 24 CFR 85.36(3)-(d), 2 CFR 200.318-320, and the Section 6 of the Admin Manual. Finding is still open for additional response from the Parish.

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued
For the Year Ended December 31, 2020

Condition - continued

- Procurement and contract files included no evidence of contractor eligibility clearance for the project management service provider. OCD cleared this finding subsequent to December 31, 2020, in a letter dated 5/25/21.

Cause - Addresses Remaining Open Finding

The OCD report cited the Parish did not perform the project-specific procurement and contracting activities as required by federal and state guidelines.

Effect – Addresses Remaining Open Finding

This could potentially cause the Parish to be in noncompliance with federal and state laws, regulations and program guidelines. In addition, if sufficient evidence cannot be provided, the Parish will have to return to OCD the 25% CDBG-DR homeowner match, in the amount of \$6,000.

Recommendation

We recommend the Parish continue to work on providing additional evidence to corroborate that a CDBG-compliant procurement was conducted. In addition, we recommend the Parish review and update their procedures as necessary to ensure compliance with project-specific procurement and contracting activities as required by federal and state guidelines, to prevent this from occurring in the future.

Management's Response

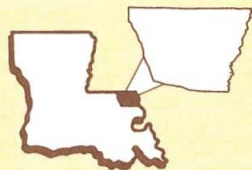
Management concurs with the recommendation. See Management's Corrective Action Plan.

WASHINGTON PARISH GOVERNMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2020

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



WASHINGTON PARISH

Richard N. Thomas, Jr., Parish President

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* * * *
www.wpgov.org

June 10, 2021

CORRECTIVE ACTION PLAN FEDERAL AWARD FINDINGS December 31, 2020

Louisiana State Legislative Auditor

Washington Parish Government respectfully submits to you the following corrective action plan for the Financial Statement Findings – Federal Award Findings and Questioned Costs for the year ended December 31, 2020.

Kushner LaGraize, LLC
Certified Public Accountants and Consultants
3330 W Esplanade Ave – Suite 100
Metairie, LA 70002

Audit period: January 1, 2020– December 31, 2020

FEDERAL AWARD FINDINGS

2020-001

Condition:

During our audit we became aware that on September 29, 2020, the OCD conducted a compliance review of the Parish's grant administration and Hazard Mitigation Assistance Cost Share for LMI Project (59VHCS1102) for the third quarter of 2020. This review resulted in the following findings:

- Qualified homeowner files showed no evidence of current NFIP flood insurance as required by Section 1, Exhibit 1-3 of the Admin Manual. OCD cleared this finding after December 31, 2020, in a letter dated 5/25/21.
- Procurement and contract files included no evidence of contractor eligibility clearance for the project management service provider. OCD cleared this finding after December 31, 2020, in a letter dated 5/25/21.
- The Parish's procurement and contract files reveal that project-specific procurement and contracting activities were not performed for 59VHCS1102 as required by 24 CFR 85.36(3)-(d), 2 CFR 200.318-320, and the Section 6 of the Admin Manual. Finding is still open for additional response from the Parish.

Recommendation:

We recommend the Parish continue to work on providing additional evidence to corroborate that a CDBG-compliant procurement was conducted. In addition, we recommend the Parish review and update their procedures as necessary to ensure compliance with project-specific procurement and contracting activities as required by federal and state guidelines, to prevent this from occurring in the future.

Management's Response:

Washington Parish Government concurs with the recommendation suggested by our auditors. We will continue to work to provide the necessary documentation to support our position that we made every effort to ensure reasonable steps were taken to provide a fair, competitive and equitable procurement process for obtaining professional services within the federal guidelines. We will update our procedures and review processes to ensure that the appropriate terminology and procedures are used for future procurement of all professional services.