

WASHINGTON PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT

Year Ended December 31, 2021

WASHINGTON PARISH GOVERNMENT

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INDEPENDENT AUDITORS' REPORT

Washington Parish Government
Franklinton, Louisiana

Adverse, Qualified, and Unmodified Opinions

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, 2021, 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.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse, Qualified and Unmodified Opinions" section of our report, 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, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matters described in the "Basis for Adverse, Qualified and Unmodified Opinions" section of our report, 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, 2021, 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 on Governmental Activities, Business-Type Activities and Each Major Fund

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, 2021, 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.

Basis for Adverse, Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parish, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the 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 has not been determined. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information are indeterminable.

Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Parish's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Parish's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Parish's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes in Total OPEB Liability and Related Ratios and Notes to the Schedule, Schedule of Employer's Proportionate Share of the Net Pension Liability, and Schedule of Employer's Pension Contributions 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 information for consistency with management's responses to our inquiries, the basic financial

statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America 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 13, 2022, 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 13, 2022

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2021

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, 2021. 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 \$62,970,783 (net position). Of this amount, \$1,645,504 represents unrestricted net position.
- During 2021, the Washington Parish Government's total net position increased \$3,999,464 related to a combination of factors. This increase is due to several factors: 1) Sales tax revenues increased over the prior year by an average of 48% across jurisdictions, partly due to the completion of a Solar Utility Project resulting in a singular payment of sales tax to parish government of \$828,273. 2) The Parish received an appropriation from the state legislature for capital outlay projects which were completed during 2021: HVAC (heating and air conditioning) project at the Parish Courthouse and Jail, totaling \$650,000. 3) The Parish received the first tranche of American Rescue Act, State and Local Fiscal Recovery Funds (SLFRF), in the amount of \$4,486,321. These funds are pledged to public health and safety response costs related to the Coronavirus pandemic and broadband expansion in the parish.
- The Parish completed and recorded several capital projects, as further described. The Department of Public Works Road crews blacktopped and asphalt overlaid 4.5 miles of Parish roads at a cost of \$237,145 during 2021. The Parish contracted 19.36 miles of asphalt overlay roads for resurfacing at a cost of \$1,802,613. The Road Maintenance department added \$807,980 of new and used equipment to its fleet. The asphalt equipment purchased allowed the parish DPW staff to assist in the asphalt overlay of the Bogue Chitto State Park roadways through a joint venture with the state. The Parish completed a renovation and modernization of the council chambers and courthouse foyer for a total cost of \$149,830. An appropriation of \$350,000 from the state legislature through Capital Outlay allowed the Parish administration to upgrade the outdated heat and cooling (HVAC) system at the Parish Courthouse with a modern energy saving system, at a total cost \$751,400. The Parish was awarded additional funding of \$400,000 from the legislature through the Department of Treasury providing for replacement of the HVAC system at the parish jail, at a total cost of \$573,450.
- On August 29, 2021, Hurricane Ida made landfall along the Louisiana coast moving north through Washington Parish with sustained category 3 winds causing significant debris damages across the Parish. These costs, totaling approximately \$7.6 million, are supported by FEMA Disaster Recovery Funds.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

FINANCIAL HIGHLIGHTS - Continued

- At the close of the current fiscal year, the Washington Parish Government's funds reported combined fund balances of \$16,693,280, an increase of \$1,383,564 in comparison with the prior year. The majority of this amount is restricted for specific purposes. See pg. 23 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 \$1,374,255, or 42% 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, 2021

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 and the Choctaw Road Landfill.

The government-wide financial statements can be found on pages 16-18 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 thirteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Nonmajor Governmental Funds section, under OTHER SUPPLEMENTARY INFORMATION of this report.

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

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

The basic governmental fund financial statements can be found on pages 19-24 of this report.

Proprietary Funds. The Washington Parish Government maintains two types 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 USDA 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 25-27 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 28-57 of this report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information. Combining fund statements and schedules can be found on pages 71-76 of this report.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

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	
	2020	2021	2020	2021	2020	2021
Current assets	\$ 16,379,225	\$ 23,465,706	\$ 2,415,396	\$ 3,341,089	\$ 18,794,621	\$ 26,806,795
Capital Assets	40,648,101	42,261,089	3,189,321	2,851,592	43,837,422	45,112,681
TOTAL ASSETS	57,027,326	65,726,795	5,604,717	6,192,681	62,632,043	71,919,476
DEFERRED OUTFLOWS OF RESOURCES:	1,017,911	1,121,501	-	-	1,017,911	1,121,501
Current Liabilities	996,226	5,569,104	117,388	184,095	1,113,614	5,753,199
Non-current liabilities	1,082,588	1,006,530	1,229,295	1,235,507	2,311,883	2,242,037
TOTAL LIABILITIES	2,078,814	6,575,634	1,346,683	1,419,602	3,425,497	7,995,236
DEFERRED INFLOWS OF RESOURCES:	1,253,138	2,074,958	-	-	1,253,138	2,074,958
Net invested in capital assets	40,648,101	42,261,089	3,189,321	2,851,592	43,837,422	45,112,681
Restricted:						
Capital Projects	2,508,383	1,853,383	-	-	2,508,383	1,853,383
Health & Welfare	910,894	803,422	-	-	910,894	803,422
Solid waste disposal	881,679	1,526,133	-	-	881,679	1,526,133
Closure and post-closure	-	-	675,555	680,005	675,555	680,005
Highways & bridges	6,512,375	8,199,948	-	-	6,512,375	8,199,948
Other purposes	2,712,571	2,936,139	213,493	213,568	2,926,064	3,149,707
Unrestricted net position	539,282	617,590	179,665	1,027,914	718,947	1,645,504
TOTAL NET POSITION	\$ 54,713,285	\$ 58,197,704	\$ 4,258,034	\$ 4,773,079	\$ 58,971,319	\$ 62,970,783

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 \$62,970,783, at the close of the most recent fiscal year.

By far, the largest portion of the Washington Parish Government's net position (72%) 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, 2021

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS - Continued

An additional portion of the Washington Parish Government's net position (26%) represents resources that are subject to external restrictions on how they may be used. The remaining amount of \$1,654,504 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 \$3,999,464 during 2021, as discussed on pg. 5.

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	
	2020	2021	2020	2021	2020	2021
REVENUES						
Program revenues						
Charges for services	\$ 774,255	\$ 902,167	\$ 898,922	\$ 965,758	\$ 1,673,177	\$ 1,867,925
Operating Grants & Contributions	1,964,975	2,166,054	-	-	1,964,975	2,166,054
Capital Grants & Contributions	2,822,185	8,208,044	-	-	2,822,185	8,208,044
General revenues:						
Property taxes	5,451,269	5,727,564	-	-	5,451,269	5,727,564
Sales taxes	8,494,804	10,094,880	-	-	8,494,804	10,094,880
Other taxes	542,810	495,102	-	-	542,810	495,102
Other	1,671,366	1,123,346	24,410	716	1,695,776	1,124,062
TOTAL REVENUES	21,721,664	28,717,157	923,332	966,474	22,644,996	29,683,631
EXPENSES						
General Government	6,866,929	5,174,918	-	-	6,866,929	5,174,918
Public Safety	1,300,610	907,151	-	-	1,300,610	907,151
Highway & streets	6,891,788	7,790,378	-	-	6,891,788	7,790,378
Health & welfare	907,561	1,059,981	-	-	907,561	1,059,981
Culture & recreation	1,159,991	1,204,318	-	-	1,159,991	1,204,318
Disaster relief and restoration	-	7,595,992	-	-	-	7,595,992
Loan program	-	-	742	81	742	81
Landfill	-	-	1,825,259	1,951,348	1,825,259	1,951,348
TOTAL EXPENSES	17,126,879	23,732,738	1,826,001	1,951,429	18,952,880	25,684,167
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	4,594,785	4,984,419	(902,669)	(984,955)	3,692,116	3,999,464
TRANSFERS	(1,526,498)	(1,500,000)	1,526,498	1,500,000	-	-
INCREASE (DECREASE) IN NET POSITION	3,068,287	3,484,419	623,829	515,045	3,692,116	3,999,464
NET POSITION – BEGINNING	51,644,998	54,713,285	3,634,205	4,258,034	55,279,203	58,971,319
NET POSITION – ENDING	\$ 54,713,285	\$ 58,197,704	\$ 4,258,034	\$ 4,773,079	\$ 58,971,319	\$ 62,970,783

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

CHANGES IN NET POSITION - Continued

Expenditure categories of each of Washington Parish Government's seven 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 expenses of the Health Unit facilities in Bogalusa and Franklinton, the Animal Shelter, 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 and (7) Disaster relief and restoration costs relating to the relief and restoration of services after a disaster strikes.

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 reported a deficit of revenues and other financing sources over expenditures and other financing uses of \$409,559, resulting in an ending fund balance of \$1,374,255.

At December 31, 2021, the Washington Parish Government's governmental funds reported combined fund balances of \$16,693,280, an increase of \$1,383,564 in comparison with the prior year. The unassigned portion of the fund balance is \$1,374,255 of the total balance. \$15,303,782 is restricted for particular purposes. See Note 13 to the financial statements.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

TABLE A-3
WASHINGTON PARISH GOVERNMENT FUND BALANCES

FUND NAME	FUND BALANCE		% OF TOTAL	
	2020	2021	2020	2021
General Fund	\$ 1,783,814	\$ 1,374,255	11.65	08.23
Parish Transportation Fund	6,512,375	8,199,948	42.54	49.12
Sales Tax Split .67% Fund	789,076	1,433,490	05.15	08.59
Criminal Justice Sales Tax Fund	363,922	382,657	02.38	02.29
Road Improvement Fund	2,508,373	1,853,373	16.38	11.10
Courthouse Maintenance Fund	115,090	115,810	00.75	00.69
Health Unit Maintenance Fund	910,894	803,422	05.95	04.81
Criminal Court Fund	49,301	90,605	00.32	00.54
Library Fund	1,855,589	1,898,528	12.12	11.37
Special Witness Fund	29,029	35,174	00.19	00.21
Sales Tax Split 1% Fund	92,603	92,643	00.60	00.55
FEMA Disaster Recovery Fund	6,775	115,544	00.04	00.69
Criminal Jury Fund	88,866	116,291	00.58	00.70
Office of Homeland Security & Emergency Preparedness Fund	51,130	28,470	00.33	00.18
LCDBG Water Improvements Fund	10	10	00.01	00.01
Recreation District # 1 Fund	152,869	153,060	01.01	00.92
TOTAL	\$ 15,309,716	\$ 16,693,280	100	100

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget.

The 2021 Budget was prepared based on 2020 projected actual totals with slight increases. Sales tax revenues were estimated based on 2020 projected actual amounts; however, current year actual collections indicated a 48% increase over the prior year, thus revenues in the amended budget were increased. The District Attorney requested a 27% increase in their budget, due to a revenue decrease because of the COVID pandemic. The Parish awarded an increase to their budget of 14%. Due to the unexpected receipt of American Rescue Act funds, a budget was adopted for the proposed expenditure of these funds. In late August, Hurricane Ida hit the Parish with category 3 conditions resulting in significant woody debris damages Parish wide. The Parish administration activated prepositioned contracts for debris monitoring, management, and removal services. The total cost of disaster recovery from this event was approximately \$7.6 million dollars. A budget was adopted approving the disbursement of these funds. 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 1.86% more than expected.
- Sales tax revenues were 0.4% greater than budgeted.
- State Timber Severance taxes were 34% more than budgeted.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS – CONTINUED

- Actual Building Permits were 12% over amounts budgeted.
- State Transportation Funds were 7% more than budgeted.
- 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 ADMINISTRATION

Capital Assets. The Washington Parish Government's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$45,112,681. 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 5%.

TABLE A-4
WASHINGTON PARISH GOVERNMENT'S CAPITAL ASSETS

Governmental Activities:

	2020	2021	Total Change 2020-2021
Capital Assets Not Being Depreciated:			
Land	\$ 2,486,029	\$ 2,786,913	\$ 300,884
Construction-in-progress	123,317	70,025	(53,292)
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	2,609,346	2,856,938	247,592
Other Capital Assets:			
Buildings	10,687,044	11,987,060	1,300,016
Equipment	8,406,941	9,139,840	732,899
Books	1,391,013	1,391,013	-
Asphalt roads	25,725,031	27,676,547	1,951,516
3-shot roads	10,344,920	10,427,042	82,122
Bridges and culverts	28,583,599	28,583,599	-
TOTAL OTHER CAPITAL ASSETS	85,138,548	89,205,101	4,066,553
TOTAL CAPITAL ASSETS	\$ 87,747,894	\$ 92,062,039	\$ 4,314,145

There was a net increase in capital assets in the amount of \$4,314,145 for the year ended December 31, 2021. Major capital asset events during the current fiscal year included the following:

- Blacktop (3 shot) surfacing and Asphalt overlay by DPW crews of 4.47 miles of zipped up blacktop (2.0) and gravel (2.5) roads, at a cost of \$237,145.
- Asphalt overlay contracted with Barriere Construction for 19.36 miles at a cost of \$1,802,613.

WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

CAPITAL ASSET ADMINISTRATION - CONTINUED

- Building modernization for the Courthouse at a cost of \$901,230.
- Building (HVAC) modernization for the Parish Jail at a cost of \$590,910.
- New and used road maintenance and construction equipment was purchased at a cost of \$807,981.

Business-type Activities:

	<u>2020</u>	<u>2021</u>	<u>Total Change 2020-2021</u>
Capital assets not being depreciated			
Land	\$ 15,000	\$ 15,000	\$ -
Other Capital Assets			
Land	292,712	292,712	-
Buildings	233,376	233,376	-
Cells and land work	8,205,061	8,215,118	10,057
Drop off facility	185,575	185,575	-
Equipment	<u>484,126</u>	<u>526,123</u>	<u>41,997</u>
	<u>9,400,850</u>	<u>9,452,904</u>	<u>52,054</u>
TOTAL CAPITAL ASSETS	<u>\$ 9,415,850</u>	<u>\$ 9,467,904</u>	<u>\$ 52,054</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All funds of the Washington Parish Government were budgeted based on the projected revenues and expenditures of 2021.

- Sales tax revenues were budgeted based on 2021 projected actual amounts, with a reduction for the singular sales tax collections from the solar utility project.
- Ad valorem taxes were budgeted based on the 2021 assessor's millage report, with a 2.5% increase projected.
- Hospitalization insurance premiums were renewed with a 1.5% rate increase.

The Parish has budgeted conservatively for 2022, 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.

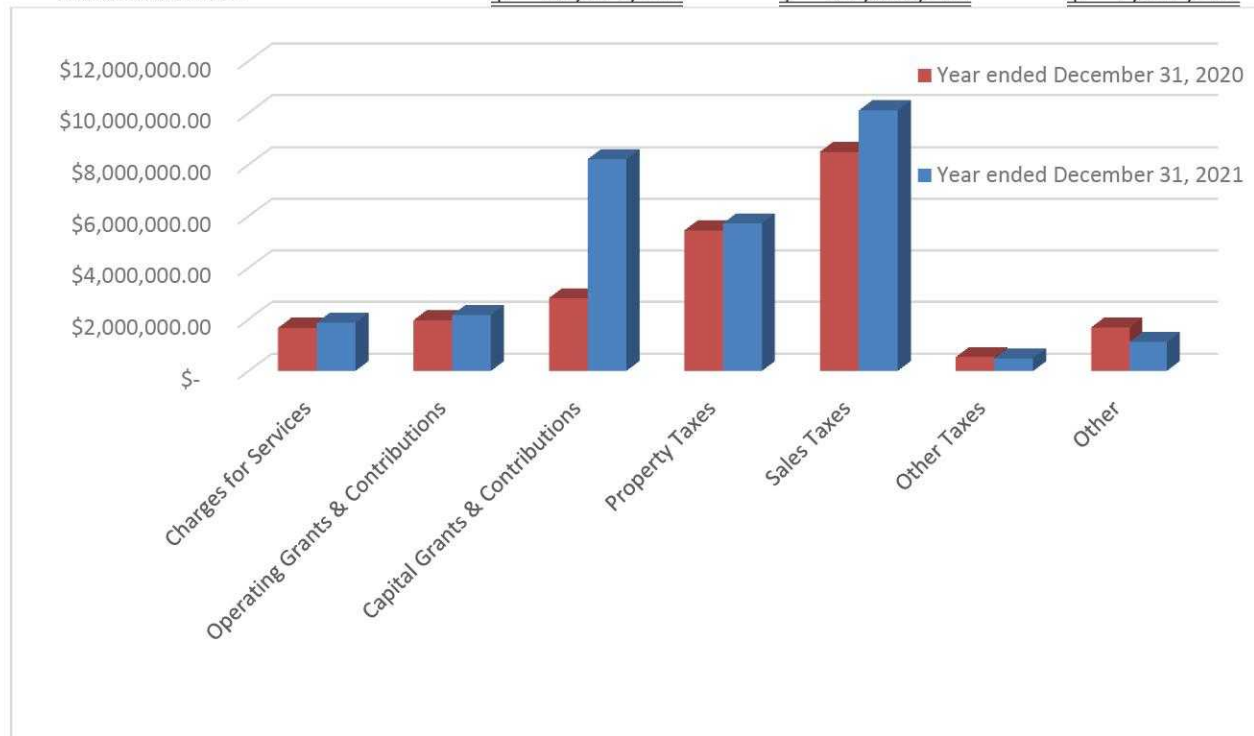
WASHINGTON PARISH GOVERNMENT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2021

REVENUES BY SOURCE

The following chart reflects the Parish's revenues for the years ended December 31, 2020 and 2021, by source:

Revenues	2020	2021	Difference
Charges for services	\$ 1,673,177	\$ 1,867,925	\$ 194,748
Operating grants and contributions	1,964,975	2,166,054	201,079
Capital grants and contributions	2,822,185	8,208,044	5,385,859
Property taxes	5,451,269	5,727,564	276,295
Sales taxes	8,494,804	10,094,880	1,600,076
Other taxes	542,810	495,102	(47,708)
Other	1,695,776	1,123,346	(572,430)
Total Revenues	\$ 22,644,996	\$ 29,682,915	\$ 7,037,919



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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 9,429,684	\$ 2,250,254	\$ 11,679,938
Investments	693,189	-	693,189
Receivables	4,619,395	376,758	4,996,153
FEMA receivable	7,710,861	-	7,710,861
Prepays	-	17,788	17,788
Notes receivable - net	-	4,362	4,362
Internal balances	21,244	(21,244)	-
Due from other governments	1,612	180,744	182,356
Restricted investments	-	532,427	532,427
Net pension asset	989,721	-	989,721
Capital assets:			
Land	2,786,913	15,000	2,801,913
Construction-in-progress	70,025	-	70,025
Other capital assets, net of depreciation	39,404,151	2,836,592	42,240,743
TOTAL ASSETS	65,726,795	6,192,681	71,919,476
DEFERRED OUTFLOWS OF RESOURCES			
Changes in proportion and differences between contributions and proportionate share of contributions	15,377	-	15,377
Changes in assumptions related to pension	323,806	-	323,806
Changes in assumptions related to OPEB	87,805	-	87,805
Difference between expected and actual experience	240,964	-	240,964
Contributions subsequent to the measurement date	453,549	-	453,549
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,121,501	-	1,121,501
LIABILITIES			
Accounts payable	1,119,793	99,119	1,218,912
Unearned revenue	4,449,311	-	4,449,311
Due to other governments	-	84,976	84,976
OPEB liability	902,676	-	902,676
Noncurrent liabilities			
Landfill closure and post-closure care costs	-	1,212,432	1,212,432
Due within one year - compensated absences	103,854	23,075	126,929
TOTAL LIABILITIES	6,575,634	1,419,602	7,995,236
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	15,243	-	15,243
Changes in proportion and differences between contributions and proportionate share of contributions	9,937	-	9,937
Differences between expected and actual experience	118,129	-	118,129
Net difference between projected and actual earnings on pension plan investments	1,931,649	-	1,931,649
TOTAL DEFERRED INFLOWS OF RESOURCES	2,074,958	-	2,074,958
NET POSITION			
Net investment in capital assets	42,261,089	2,851,592	45,112,681
Restricted for:			
Capital projects	1,853,383	-	1,853,383
Health and welfare	803,422	-	803,422
Solid waste disposal	1,526,133	-	1,526,133
Closure and post-closure	-	680,005	680,005
Highways and bridges	8,199,948	-	8,199,948
Other purposes	2,936,139	213,568	3,149,707
Unrestricted	617,590	1,027,914	1,645,504
TOTAL NET POSITION	\$ 58,197,704	\$ 4,773,079	\$ 62,970,783

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

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	\$ 5,174,918	\$ 885,756	\$ 356,363	\$ 92,650	\$ (3,840,149)	\$ -	\$ (3,840,149)
Public Safety	907,151	-	653,170	-	(253,981)	-	(253,981)
Highways and Streets	7,694,834	-	570,416	423,858	(6,700,560)	-	(6,700,560)
Health and Welfare	1,059,981	-	506,870	-	(553,111)	-	(553,111)
Culture and Recreation	1,204,318	16,411	79,235	-	(1,108,672)	-	(1,108,672)
Disaster relief and restoration	7,691,536	-	-	7,691,536	-	-	-
Total	23,732,738	902,167	2,166,054	8,208,044	(12,456,473)	-	(12,456,473)
Business-type Activities:							
Loan Program	81	-	-	-	-	(81)	(81)
Landfill	1,951,348	965,758	-	-	-	(985,590)	(985,590)
Total business-type activities	1,951,429	965,758	-	-	-	(985,671)	(985,671)
Total Primary Government	\$ 25,684,167	\$ 1,867,925	\$ 2,166,054	\$ 8,208,044	(12,456,473)	(985,671)	(13,442,144)
General Revenues and transfers:							
General Revenues:							
Property taxes, levied for general purpose					5,727,564	-	5,727,564
Sales taxes					10,094,880	-	10,094,880
State revenue sharing					199,179	-	199,179
Timber severance					288,979	-	288,979
Mineral severance					3,488	-	3,488
Other taxes					3,456	-	3,456
Fire insurance rebate					185,355	-	185,355
Licenses and permits					657,588	-	657,588
Unrestricted interest					6,240	716	6,956
Insurance proceeds					14,044	-	14,044
Pension contributions from non-employer contributing entities					47,455	-	47,455
Miscellaneous					212,664	-	212,664
Transfers					(1,500,000)	1,500,000	-
Total general revenues and transfers					15,940,892	1,500,716	17,441,608
Change in net position					3,484,419	515,045	3,999,464
Net position-beginning					54,713,285	4,258,034	58,971,319
Net position-ending					\$ 58,197,704	\$ 4,773,079	\$ 62,970,783

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

WASHINGTON PARISH GOVERNMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	American Rescue Plan Act Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	FEMA Disaster Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash	\$ 439,445	\$ 4,420,095	\$ 46,067	\$ 1,273,876	\$ 989,330	\$ 4,462	\$ 2,256,409	\$ 9,429,684
Investments	-	-	208,185	-	-	-	485,004	693,189
Receivables	647,024	-	1,954,973	282,014	225,236	-	1,311,790	4,421,037
FEMA Receivable	-	-	-	-	-	7,691,536	19,325	7,710,861
Due from other funds	521,244	-	6,100,000	-	638,807	-	-	7,260,051
Due from other governmental units	1,612	-	-	-	-	-	-	1,612
TOTAL ASSETS	\$ 1,609,325	\$ 4,420,095	\$ 8,309,225	\$ 1,555,890	\$ 1,853,373	\$ 7,695,998	\$ 4,072,528	\$ 29,516,434
LIABILITIES								
Accounts payable	\$ 235,070	\$ -	\$ 109,277	\$ 122,400	\$ -	\$ 341,647	\$ 311,399	\$ 1,119,793
Due to other funds	-	-	-	-	-	7,238,807	-	7,238,807
Unearned revenue	-	4,420,095	-	-	-	-	44,459	4,464,554
TOTAL LIABILITIES	235,070	4,420,095	109,277	122,400	-	7,580,454	355,858	12,823,154
FUND BALANCES								
Nonspendable:								
Not in spendable form	-	-	-	-	-	-	15,243	15,243
Restricted	-	-	8,199,948	1,433,490	1,853,373	115,544	3,701,427	15,303,782
Unassigned	1,374,255	-	-	-	-	-	-	1,374,255
TOTAL FUND BALANCES	1,374,255	-	8,199,948	1,433,490	1,853,373	115,544	3,716,670	16,693,280
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,609,325	\$ 4,420,095	\$ 8,309,225	\$ 1,555,890	\$ 1,853,373	\$ 7,695,998	\$ 4,072,528	\$ 29,516,434

WASHINGTON PARISH GOVERNMENT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2021

Total fund balances reported on the Balance Sheet of Governmental Funds	\$ 16,693,280
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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.	42,261,089
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The net effect of transactions involving ad valorem taxes	198,358
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Compensated absences for current period	(103,854)
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In accordance with Governmental Accounting Standards Board Statements No. 68 and 75, the net pension asset and other post-employment benefits payable (OPEB) related to the pension and OPEB plans, deferred outflows of resources and deferred inflows of resources are not recorded in governmental funds

Net pension asset	989,721
Other post-employment benefits (OPEB) payable	(902,676)

Deferred outflows of resources:

Change in assumptions related to pension	323,806
Change in assumptions related to OPEB	87,805
Contributions subsequent to the measurement date	453,549
Change in proportions	15,377
Differences between expected and actual experience	240,964

Deferred inflows of resources:

Differences between expected and actual experience	(118,129)
Net difference between projected and actual investment earnings on pension plan investments	(1,931,649)
Change in proportions	(9,937)

Total net position of governmental activities	<u>\$ 58,197,704</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, 2021

	General Fund	American Rescue Plan Act Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	FEMA Disaster Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes								
Ad valorem	\$ 608,825	\$ -	\$ 3,040,054	\$ -	\$ -	\$ -	\$ 1,880,327	\$ 5,529,206
Sales	-	-	2,811,387	3,035,504	2,376,452	-	1,871,537	10,094,880
Other	3,456	-	-	-	-	-	-	3,456
Licenses and permits	657,588	-	-	-	-	-	-	657,588
Intergovernmental federal funds								
Federal grants	505,354	66,226	-	-	-	-	604,839	1,176,419
FEMA reimbursement	-	-	-	-	-	7,691,536	-	7,691,536
State funds								
Parish transportation funds	-	-	562,149	-	-	-	-	562,149
State revenue sharing	40,517	-	50,915	-	-	-	107,747	199,179
Other	791,606	-	-	-	-	-	779,720	1,571,326
Insurance proceeds	-	-	14,044	-	-	-	-	14,044
Fees, charges, etc.	603,067	-	-	-	-	-	82,491	685,558
Fines and penalties	750	-	-	-	-	-	216,533	217,283
Interest income	2,809	-	8,267	548	692	1	5,096	17,413
Other	40,844	-	1,192	-	-	20,000	150,628	212,664
TOTAL REVENUES	3,254,816	66,226	6,488,008	3,036,052	2,377,144	7,711,537	5,698,918	28,632,701
EXPENDITURES								
Current								
General government								
Legislative	189,235	-	-	-	-	-	-	189,235
Judicial	216,223	-	-	-	-	-	1,509,434	1,725,657
Executive	288,364	-	-	-	-	-	-	288,364
Elections	280,388	-	-	-	-	-	-	280,388
Finance and administrative	758,300	7,750	371,239	161,238	130,841	-	203,272	1,632,640
Other	928,046	-	-	-	-	-	-	928,046
Public Safety	296,560	7,516	-	-	-	-	942,853	1,246,929
Health and welfare	178,106	50,960	-	-	-	-	766,869	995,935
Highway and streets	-	-	4,384,083	-	-	-	-	4,384,083
Culture and recreation	93,638	-	-	-	-	-	1,038,079	1,131,717
Disaster relief and restoration	-	-	95,544	-	-	7,595,992	-	7,691,536

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, 2021

	General Fund	American Rescue Plan Act Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	FEMA Disaster Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
Capital outlay	33,046	-	136,212	-	2,901,303	-	2,061,646	5,132,207
TOTAL EXPENDITURES	3,261,906	66,226	4,987,078	161,238	3,032,144	7,595,992	6,522,153	25,626,737
Excess (deficiency) of revenues over expenditures	(7,090)	-	1,500,930	2,874,814	(655,000)	115,545	(823,235)	3,005,964
OTHER FINANCING SOURCES (USES)								
Operating transfers in	500,531	-	186,643	-	-	-	903,927	1,591,101
Operating transfers out	(903,000)	-	-	(2,108,000)	-	(6,776)	(73,325)	(3,091,101)
Excess sales tax split with other government entities	-	-	-	(122,400)	-	-	-	(122,400)
Total other financing sources (uses)	(402,469)	-	186,643	(2,230,400)	-	(6,776)	830,602	(1,622,400)
Net change in fund balance	(409,559)	-	1,687,573	644,414	(655,000)	108,769	7,367	1,383,564
Fund balances, beginning	1,783,814	-	6,512,375	789,076	2,508,373	6,775	3,709,303	15,309,716
Fund balances, ending	<u>\$ 1,374,255</u>	<u>\$ -</u>	<u>\$ 8,199,948</u>	<u>\$ 1,433,490</u>	<u>\$ 1,853,373</u>	<u>\$ 115,544</u>	<u>\$ 3,716,670</u>	<u>\$ 16,693,280</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, 2021

Net change in fund balances – total governmental funds	\$ 1,383,564
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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.	198,358
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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.	2,283,768
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to (increase) decrease net position.	(187,310)
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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.	(96,441)
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In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension asset 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	(83,753)
Contributions from non-employer contributing entities	47,455

Some expenditures reported in the governmental funds are not reported as expenses in the statement of activities.	(61,222)
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Change in net position of governmental activities	<u>\$ 3,484,419</u>
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WASHINGTON PARISH GOVERNMENT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,934,828	\$ 315,426	\$ 2,250,254
Tipping fees receivable (net of allowance of \$3,805)	376,758	-	376,758
Prepaid expenses	17,788	-	17,788
TOTAL CURRENT ASSETS	2,329,374	315,426	2,644,800
NONCURRENT ASSETS			
Restricted assets - (Certificates of Deposit for landfill closure and post-closure care costs)	532,427	-	532,427
Due from City of Bogalusa	180,744	-	180,744
Notes receivable:			
Breedlove Farm, L.L.C.	-	765,977	765,977
Smith Creamery, L.L.C.	-	4,362	4,362
Less: allowance for doubtful accounts	-	(765,977)	(765,977)
Net notes receivable	-	4,362	4,362
Land	15,000	-	15,000
Other capital assets, net of depreciation	2,836,592	-	2,836,592
TOTAL ASSETS	5,894,137	319,788	6,213,925
CURRENT LIABILITIES			
Accounts payable and accrued expenses	99,119	-	99,119
Due to other governments	-	84,976	84,976
Due to other funds	-	21,244	21,244
TOTAL CURRENT LIABILITIES	99,119	106,220	205,339
NONCURRENT LIABILITIES			
Landfill closure and post-closure care costs	1,212,432	-	1,212,432
Compensated absences	23,075	-	23,075
TOTAL NONCURRENT LIABILITIES	1,235,507	-	1,235,507
TOTAL LIABILITIES	1,334,626	106,220	1,440,846
NET POSITION			
Net investment in capital assets	2,851,592	-	2,851,592
Restricted for:			
Closure and post-closure	680,005	-	680,005
Other purposes	-	213,568	213,568
Unrestricted	1,027,914	-	1,027,914
TOTAL NET POSITION	\$ 4,559,511	\$ 213,568	\$ 4,773,079

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, 2021

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
OPERATING REVENUES			
Tipping fees	\$ 926,602	\$ -	\$ 926,602
Recycling fees	38,279	-	38,279
Interest	877	156	1,033
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	965,758	156	965,914
OPERATING EXPENSES			
Landfill operations	936,972	-	936,972
Depreciation	389,783	-	389,783
Recycling	13,585	-	13,585
Maintenance contracts	2,000	-	2,000
Inventoriable supplies	1,940	-	1,940
Uniforms	846	-	846
Engineering and testing	104,673	-	104,673
Salaries and benefits	300,808	-	300,808
Insurance	32,442	-	32,442
Utilities	20,841	-	20,841
Repairs and maintenance	118,562	-	118,562
Office supplies	3,986	81	4,067
Legal	191	-	191
Accounting and auditing	3,000	-	3,000
Conference and travel	3,225	-	3,225
Telephone	2,044	-	2,044
Permits	14,875	-	14,875
Postage	153	-	153
Bank fees	972	-	972
Vehicles	450	-	450
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	1,951,348	81	1,951,429
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(985,590)	75	(985,515)
NON-OPERATING REVENUES			
Interest	560	-	560
Transfers in	1,500,000	-	1,500,000
	<hr/>	<hr/>	<hr/>
TOTAL NON-OPERATING REVENUES	1,500,560	-	1,500,560
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	514,970	75	515,045
NET POSITION - BEGINNING OF YEAR	4,044,541	213,493	4,258,034
	<hr/>	<hr/>	<hr/>
NET POSITION - END OF YEAR	\$ 4,559,511	\$ 213,568	\$ 4,773,079
	<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, 2021

	Choctaw Road Landfill	USDA Revolving Loan Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,142,301	\$ -	\$ 1,142,301
Payments to suppliers	(1,573,958)	(81)	(1,574,039)
Principal received	-	1,105	1,105
Interest received	-	156	156
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(431,657)	1,180	(430,477)
CASH FLOWS FROM INVESTING ACTIVITIES			
Settlement of receivable	-	106,220	106,220
Interest	560	-	560
NET CASH USED IN INVESTING ACTIVITIES	560	106,220	106,780
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed asset purchases	(52,054)	-	(52,054)
Operating transfers in	1,800,000	-	1,800,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,747,946	-	1,747,946
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED ASSETS	1,316,849	107,400	1,424,249
BALANCES - BEGINNING OF YEAR	1,150,406	208,026	1,358,432
BALANCES - END OF YEAR	\$ 2,467,255	\$ 315,426	\$ 2,782,681
RECONCILIATIONS OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Net operating income (loss)	\$ (985,590)	\$ 75	\$ (985,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	389,783	-	389,783
Increase in tipping fees receivable	20,543	-	20,543
Decrease in due from City of Bogalusa	156,000	-	156,000
Decrease in notes receivable	-	1,105	1,105
Decrease in accounts payable and accrued expenses	(17,440)	-	(17,440)
Increase in prepaid expenses	(336)	-	(336)
Increase in landfill closure and post-closure care costs	5,383	-	5,383
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (431,657)	\$ 1,180	\$ (430,477)

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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 1022 miles of roads, of which 324 miles are asphalt, 495 miles are 3-shot, and 203 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, 2021

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, 2021

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	I
Washington Parish Gas District No. 1	December 31	I
Washington Parish Gas District No. 2	December 31	I
Bogue Lusa Waterworks District	December 31	I
Varnado Waterworks District	December 31	I
Washington Parish Fire Protection District No. 1	December 31	I
Washington Parish Fire Protection District No. 2	December 31	I
Washington Parish Fire Protection District No. 3	December 31	I
Washington Parish Fire Protection District No. 4	December 31	I
Washington Parish Fire Protection District No. 5	December 31	I
Washington Parish Fire Protection District No. 6	December 31	I
Washington Parish Fire Protection District No. 7	December 31	I
Washington Parish Fire Protection District No. 8	December 31	I
Washington Parish Fire Protection District No. 9	December 31	I
Washington Parish Communications District	December 31	I
Washington Parish Tourism Commission	December 31	I

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, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements include the following:

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

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 60 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 **American Rescue Plan Act Fund** accounts for the receipt and expenditures of funds for amounts received from the American Rescue Plan Act.

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, 2021

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 **FEMA Disaster Recovery Fund** accounts for the expenditures of funds for disaster relief and restoration and reimbursements received from FEMA.

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 until 2020. 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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 – 2021 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, 2021

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 and will expire on December 31, 2023.

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, 2021

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, 2021, the Parish Government had cash and cash equivalents (book balances) totaling \$11,679,938 as follows:

Interest-bearing demand deposits	\$ 11,679,838
Petty cash	<u>100</u>
Total	<u>\$ 11,679,938</u>

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

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, 2021, the Parish Government had \$13,320,567 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$21,898,424 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	\$ 966,157
Resource Bank:	
Certificates of Deposits	161,714
Cash held in Money Market Investment	<u>97,745</u>
 Total	 <u><u>\$ 1,225,616</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, 2021

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 \$12,330,256 at December 31, 2021, were as follows:

	Governmental Activities						
Class of Receivable	General Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	FEMA Disaster Recovery Fund	Other Governmental Funds	Total
Taxes:							
Ad Valorem	\$ 413,242	\$ 1,770,834	\$ -	\$ -	\$ -	\$ 1,120,336	\$ 3,304,412
Sales and Use	-	244,804	282,014	225,235	-	172,782	924,835
Intergovernmental:							
Federal	49,711	-	-	-	7,691,536	55,393	7,796,640
State	173,681	46,843	-	-	-	2,250	222,774
Local	34,596	95	-	-	-	46,904	81,595
TOTAL	\$ 671,230	\$ 2,062,576	\$ 282,014	\$ 225,235	\$ 7,691,536	\$ 1,397,665	\$ 12,330,256

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 \$380,563 represent fees billed through December 31, 2021, but not yet collected. The allowance for doubtful accounts on these receivables at December 31, 2021 was \$3,805.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

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 became 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. As of December 31, 2021, a portion of the immoveable property was sold thus reducing the note receivable by \$106,210.

Notes receivable, December 31, 2021:

Breedlove Farm, L.L.C.	\$ 765,977
Smith Creamery, L.L.C.	4,362
Allowance for doubtful account	<u>(765,977)</u>
Notes receivable, net of allowance for doubtful account	<u>\$ 4,362</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 \$2,501,771 as of December 31, 2021. It is estimated that \$1,018,813 will be recognized as closure costs, which is based on 66.66% 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 \$1,482,958 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 \$2,005,175 as of December 31, 2021. However, the actual costs of closure and post-closure care may be higher due to inflation, in excess of the assumed rate of 1%, over the 30-year post-closure period, changes in technology, or changes in landfill laws and regulations.

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

There was an increase in costs between the end of 2020 and the end of 2021.

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

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 an expense for 2021 as follows:

$$\begin{array}{rcccl} \$2,005,175 & \times & \frac{32.5 \text{ yrs.}}{53.75 \text{ yrs.}} & = & \$1,212,432 \\ & & & - & \$1,207,049 \\ & & & = & \$5,383 \end{array}$$

At December 31, 2021, the Landfill had invested \$532,427 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, 2021:

Business-type Activities:

	Balance at 01/01/21	Additions	Deletions	Balance at 12/31/21
Capital assets not being depreciated				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Construction in progress	-	-	-	-
	15,000	-	-	15,000
Other Capital Assets				
Land	292,712	-	-	292,712
Buildings	233,376	-	-	233,376
Cells and land work	8,205,061	10,057	-	8,215,118
Drop off facility	185,575	-	-	185,575
Equipment	484,126	41,997	-	526,123
	9,400,850	52,054	-	9,452,904
TOTAL CAPITAL ASSETS	9,415,850	52,054	-	9,467,904
ACCUMULATED DEPRECIATION	(6,226,529)	(389,783)	-	(6,616,312)
TOTAL CAPITAL ASSETS, NET	\$ 3,189,321	\$ (337,729)	\$ -	\$ 2,851,592

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

8. CAPITAL ASSETS (Continued)

Governmental Activities

	Balance 12/31/20	Increases	Decreases	Balance 12/31/21
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,486,029	\$ 303,918	\$ (3,034)	\$ 2,786,913
Construction in progress	<u>123,317</u>	<u>804,798</u>	<u>(858,090)</u>	<u>70,025</u>
Total capital assets not being depreciated	2,609,346	1,108,716	(861,124)	2,856,938
Other capital assets:				
Buildings	10,687,044	1,512,002	(211,986)	11,987,060
Equipment	8,406,941	807,980	(75,081)	9,139,840
Books	1,391,013	-	-	1,391,013
Asphalt roads	25,725,031	1,951,516	-	27,676,547
3-shot roads	10,344,920	420,374	(338,252)	10,427,042
Bridges and culverts	<u>28,583,599</u>	<u>-</u>	<u>-</u>	<u>28,583,599</u>
	85,138,548	4,691,872	(625,319)	89,205,101
Less accumulated depreciation for:				
Buildings	(6,051,577)	(318,646)	98,412	(6,271,811)
Equipment	(6,028,544)	(499,274)	75,081	(6,452,737)
Books	(1,391,013)	-	-	(1,391,013)
Asphalt roads	(20,429,209)	(803,269)	-	(21,232,478)
3-shot roads	(4,376,040)	(928,174)	338,252	(4,965,962)
Bridges and culverts	<u>(8,823,410)</u>	<u>(663,539)</u>	<u>-</u>	<u>(9,486,949)</u>
Total accumulated depreciation	<u>(47,099,793)</u>	<u>(3,212,902)</u>	<u>511,745</u>	<u>(49,800,950)</u>
Other capital assets, net	<u>38,038,755</u>	<u>1,478,970</u>	<u>(113,574)</u>	<u>39,404,151</u>
Totals	<u>\$ 40,648,101</u>	<u>\$ 2,587,686</u>	<u>\$ (974,698)</u>	<u>\$ 42,261,089</u>

Depreciation expense of \$3,212,902 for the year ended December 31, 2021, was charged to the following governmental functions:

General government	\$ 90,232
Public safety	163,918
Highways and streets	2,795,188
Health and welfare	64,046
Culture and recreation	<u>99,518</u>
	<u>\$ 3,212,902</u>

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

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, 2021.

9. INTERFUND TRANSFERS

Details about interfund transfers from other funds during 2021 follow:

	General Fund	Parish Transportation Fund	Transfers In: Nonmajor Governmental Funds	Choctaw Road Landfill - Enterprise Fund	Total
Transfers Out:					
General Fund	\$ -	\$ -	\$ 903,000	\$ -	\$ 903,000
Sales Tax Split .67 Fund	500,000	108,000	-	1,500,000	2,108,000
FEMA Disaster Fund	531	5,318	927	-	6,776
Nonmajor Governmental Funds	-	73,325	-	-	73,325
TOTAL	\$ 500,531	\$ 186,643	\$ 903,927	\$ 1,500,000	\$ 3,091,101

Transfers are used to 1) move revenues from the fund for sanitation (Choctaw Road Landfill Enterprise Fund) 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 2021, the state paid salaries of \$241,460 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, 2021

11. CHANGES IN GENERAL LONG-TERM LIABILITIES

Governmental Activities

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

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21	Current Portion
Compensated absences	\$ 128,824	\$ 4,880	\$ (29,850)	\$ 103,854	\$ 103,854
TOTAL	<u>\$ 128,824</u>	<u>\$ 4,880</u>	<u>\$ (29,850)</u>	<u>\$ 103,854</u>	<u>\$ 103,854</u>

Business-type Activities

The Choctaw Road Landfill Fund has \$23,075 accrued for compensated absences as of December 31, 2021, 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, 2021.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

12. PENSION PLAN (Continued)

General Information about the Pension Plan (continued)

Contributions to the System from the Parish were \$453,549 for the year ended December 31, 2021.

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, 2021, the Parish reported an asset of \$989,721 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Parish's proportion of the net pension asset was based on a projection of the Parish's December 31, 2021 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2020, the Parish's proportion was 0.564454%, which was a decrease of 0.008409% from its proportion measured as of December 31, 2019. For the year ended December 31, 2021, the Parish recognized pension expense of \$83,753. At December 31, 2021, 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, 2021

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	\$ 240,964	\$ 118,129
Changes of assumptions	323,806	-
Changes in proportion	15,377	9,937
Net difference between projected and actual investment earnings on pension plan investments	-	1,931,649
Contributions subsequent to the measurement date	453,549	-
	<u>\$ 1,033,696</u>	<u>\$ 2,059,715</u>

\$453,549 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended:

December 31, 2022	\$ (408,605)
December 31, 2023	(137,734)
December 31, 2024	(617,659)
December 31, 2025	(315,570)

Actuarial Assumptions - The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.30%
Projected Salary Increases:	4.75% (2.30% Inflation, 2.45% Merit)
Investment Rate of Return:	6.40%, 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, 2021

12. PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.40%. 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 7.00% for the year ended December 31, 2020.

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, 2020 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	33.00%	0.86%
Equity	51.00%	3.36%
Alternatives	14.00%	0.67%
Real Assets	2.00%	0.11%
Total	100.00%	5.00%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.00%

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

12. PENSION PLAN (Continued)

Mortality Rate - The mortality rate assumption used in the December 31, 2020, 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 6.40%, 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 (5.40%) or one percentage-point higher (7.40%) than the current rate:

	1.0% Decrease (5.40%)	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
The Parish's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,075,157	\$ (989,721)	\$(3,556,493)

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, 2021 the Parish had a payable of \$63,079 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, 2021

13. FUND BALANCES

Governmental Funds:

Description:	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Funds	Capital Projects Fund		
Fund Balances:					
Nonspendable	\$ -	\$ -	\$ -	\$ 15,243	\$ 15,243
Restricted for:					
Sales taxes	-	1,433,490	-	475,300	1,908,790
Ad valorem taxes	-	-	-	1,898,528	1,898,528
Road improvement	-	-	1,853,373	10	1,853,383
Emergency preparedness	-	-	-	13,227	13,227
Disaster relief	-	115,544	-	-	115,544
Health services	-	-	-	803,422	803,422
Courthouse maintenance	-	-	-	115,810	115,810
Criminal court	-	-	-	90,605	90,605
Parish transportation	-	8,199,948	-	-	8,199,948
Recreation	-	-	-	153,060	153,060
Special witnesses	-	-	-	35,174	35,174
Criminal jury	-	-	-	116,291	116,291
Unassigned:	<u>1,374,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,374,255</u>
Total Fund Balances	<u>\$ 1,374,255</u>	<u>\$ 9,748,982</u>	<u>\$ 1,853,373</u>	<u>\$ 3,716,670</u>	<u>\$ 16,693,280</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	\$ 174,261
Joseph Lee Culpepper	Parish Council District 1	11,850
Shawn Rice	Parish Council District 2	11,850
Kim Wagner	Parish Council District 3	11,850
Clark Harry	Parish Council District 4	11,700
Thomas Russell Fornea	Parish Council District 5	11,850
Reginald McMasters	Parish Council District 6	14,400
Carley King	Parish Council District 7	11,700

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

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. In 2021, the proceeds from the sale of a portion of the immovable property was applied to the \$872,187, thus reducing the outstanding amount to \$765,977. 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, 2021:

Disaster Grants – Disaster #611 – Hurricane Ida	\$ 7,691,536
Community Development Block Grant expenditures	497,183
U.S. Department of Transportation	
Washington Parish Council on Aging expenditures	505,354

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

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, 2021, 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	45
	<u>45</u>

In the year ended December 31, 2021, the Parish did not contribute for retired employees.

Total OPEB Liability

The Parish's total OPEB liability of \$902,676 was measured as of December 31, 2021.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

19. POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and other inputs – The total OPEB liability as of December 31, 2021 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	2.06%

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, 2021, 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: 2020 – 2029, Table 3 - National Health Expenditures; Aggregate and per Capita Amounts, Percent Distribution and Annual Percent Change by Source of Funds: Calendars Years 2014 – 2030, released by the Health Care Financing Administration (www.cms.gov). Graduated rates for 2020 through 2029 were used from this table with an ultimate annual rate of 4.8% for 2029 and later. The current medical premium is \$1,299 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, 2021

19. POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at December 31, 2020	\$ 926,797
Changes for the year:	
Service cost	68,233
Interest	1,406
Amortization component	26,802
Changes in assumptions	<u>(120,562)</u>
Net changes	<u>(24,121)</u>
Balance at December 31, 2021	<u>\$ 902,676</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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1.0% Decrease (1.06%)	Current Discount Rate (2.06%)	1.0% Increase (3.06%)
Total OPEB liability	\$ 1,086,221	\$ 902,676	\$ 758,707

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 healthcare cost trend rate that is 1-percentage-point lower (4.80%) or 1-percentage-point higher (6.80%) than the current healthcare cost trend rate:

	1.0% Decrease (4.80%)	Current Healthcare Cost Trend Rate (5.80%)	1.0% Increase (6.80%)
Total OPEB liability	\$ 835,940	\$ 902,676	\$ 1,266,228

OPEB Expense

For the year ended December 31, 2021, the Parish recognized an OPEB expense of \$96,441.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2021

20. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following pronouncement: GASB Statement No. 87, *Leases*. The Statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. GASB No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed this statement by 18 months. The Parish is currently evaluating the impact of the guidance on their financial statements.

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 continued 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 as well as federal assistance provided to the Parish through the American Rescue Plan Act.

22. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 13, 2022, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021 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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 594,345	\$ 594,345	\$ 608,825	\$ 14,480
Other	4,100	4,100	3,456	(644)
Licenses and permits	719,700	617,250	657,588	40,338
Intergovernmental federal funds				
Federal grants	300,000	479,400	505,354	25,954
State funds				
State revenue sharing	39,000	39,000	40,517	1,517
Other	635,500	679,100	791,606	112,506
Fees, charges, etc.	490,700	575,800	603,067	27,267
Fines and penalties	-	-	750	750
Interest income	7,000	1,700	2,809	1,109
Other	9,600	19,600	40,844	21,244
TOTAL REVENUES	2,799,945	3,010,295	3,254,816	244,521
EXPENDITURES				
Current				
General government				
Legislative	209,000	209,000	189,235	19,765
Judicial	226,700	222,000	216,223	5,777
Executive	296,000	299,300	288,364	10,936
Elections	263,500	264,000	280,388	(16,388)
Finance and administrative	715,100	724,100	758,300	(34,200)
Other	716,400	888,600	928,046	(39,446)
Public Safety	310,700	302,300	296,560	5,740
Health and welfare	226,400	226,400	178,106	48,294
Culture and recreation	77,000	88,300	93,638	(5,338)
Capital outlay	82,500	105,500	33,046	72,454
TOTAL EXPENDITURES	3,123,300	3,329,500	3,261,906	67,594
Excess (Deficiency) of revenues over expenditures	(323,355)	(319,205)	(7,090)	312,115
OTHER FINANCING SOURCES (USES)				
Operating transfers in	500,000	500,500	500,531	31
Operating transfers out	(745,000)	(820,000)	(903,000)	(83,000)
Total other financing uses	(245,000)	(319,500)	(402,469)	(82,969)
Net change in fund balances	(568,355)	(638,705)	(409,559)	229,146
Fund balances, beginning	1,183,237	1,783,814	1,783,814	-
Fund balances, ending	\$ 614,882	\$ 1,145,109	\$ 1,374,255	\$ 229,146

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

AMERICAN RESCUE PLAN ACT FUND

For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental federal funds				
Federal grants	\$ -	\$ 119,500	\$ 66,226	\$ (53,274)
TOTAL REVENUES	-	119,500	66,226	(53,274)
EXPENDITURES				
Current				
General government				
Finance and administrative	-	-	7,750	(7,750)
Other	-	119,500	-	119,500
Public Safety	-	-	7,516	(7,516)
Health and welfare	-	-	50,960	(50,960)
TOTAL EXPENDITURES	-	119,500	66,226	53,274
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
PARISH TRANSPORTATION FUND
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem	\$ 2,998,500	\$ 2,998,500	\$ 3,040,054	\$ 41,554
Sales	1,775,000	2,840,000	2,811,387	(28,613)
State funds				
Parish transportation funds	525,000	525,000	562,149	37,149
State revenue sharing	50,200	50,200	50,915	715
Interest income	23,000	10,000	8,267	(1,733)
Insurance proceeds	-	4,700	14,044	9,344
Other	3,000	3,000	1,192	(1,808)
TOTAL REVENUES	5,374,700	6,431,400	6,488,008	56,608
EXPENDITURES				
Current				
Finance and administrative	295,200	336,500	371,239	(34,739)
Highway and streets	5,312,300	4,809,200	4,384,083	425,117
Disaster relief and restoration	-	-	95,544	(95,544)
Capital outlay	148,000	225,000	136,212	88,788
TOTAL EXPENDITURES	5,755,500	5,370,700	4,987,078	383,622
Excess (deficiency) of revenues over expenditures	(380,800)	1,060,700	1,500,930	440,230
OTHER FINANCING SOURCES (USES)				
Operating transfers in	108,000	188,300	186,643	(1,657)
Operating transfers out	-	(59,700)	-	59,700
Total other financing sources	108,000	128,600	186,643	58,043
Net change in fund balances	(272,800)	1,189,300	1,687,573	498,273
Fund balances, beginning	5,726,790	6,512,375	6,512,375	-
Fund balances, ending	<u>\$ 5,453,990</u>	<u>\$ 7,701,675</u>	<u>\$ 8,199,948</u>	<u>\$ 498,273</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
SALES TAX SPLIT .67% FUND
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 2,200,000	\$ 3,030,000	\$ 3,035,504	\$ 5,504
Interest income	1,400	450	548	98
TOTAL REVENUES	2,201,400	3,030,450	3,036,052	5,602
EXPENDITURES				
Current				
General government				
Finance and administrative	119,800	154,800	161,238	(6,438)
TOTAL EXPENDITURES	119,800	154,800	161,238	(6,438)
Excess of revenues over expenditures	2,081,600	2,875,650	2,874,814	(836)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(1,608,000)	(2,108,000)	(2,108,000)	-
Excess sales tax split with other government entities	(122,400)	(122,400)	(122,400)	-
Total other financing uses	(1,730,400)	(2,230,400)	(2,230,400)	-
Net change in fund balances	351,200	645,250	644,414	(836)
Fund balances, beginning	439,503	789,077	789,086	9
Fund balances, ending	<u>\$ 790,703</u>	<u>\$ 1,434,327</u>	<u>\$ 1,433,500</u>	<u>\$ (827)</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT FUND
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 1,881,000	\$ 2,295,000	\$ 2,376,452	\$ 81,452
Interest income	9,000	700	692	(8)
TOTAL REVENUES	1,890,000	2,295,700	2,377,144	81,444
EXPENDITURES				
Current				
General government				
Finance and administrative	107,350	126,800	130,841	(4,041)
Capital outlay	2,807,400	2,824,300	2,901,303	(77,003)
TOTAL EXPENDITURES	2,914,750	2,951,100	3,032,144	(81,044)
Excess (deficiency) of revenues over expenditures	(1,024,750)	(655,400)	(655,000)	400
Net change in fund balances	(1,024,750)	(655,400)	(655,000)	400
Fund balances, beginning	1,999,645	2,508,374	2,508,373	(1)
Fund balances, ending	<u>\$ 974,895</u>	<u>\$ 1,852,974</u>	<u>\$ 1,853,373</u>	<u>\$ 399</u>

WASHINGTON PARISH GOVERNMENT
BUDGETARY COMPARISON SCHEDULE
FEMA DISASTER RECOVERY FUND
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental federal funds				
Federal grants	\$ -	\$ 7,500,000	\$ 7,691,536	\$ 191,536
Interest income	-	-	1	1
Other	-	20,000	20,000	-
TOTAL REVENUES	-	7,520,000	7,711,537	191,537
EXPENDITURES				
Current				
General government				
Other	-	7,579,700	7,595,992	(16,292)
TOTAL EXPENDITURES	-	7,579,700	7,595,992	(16,292)
Excess (deficiency) of revenues over expenditures	-	(59,700)	115,545	175,245
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	59,700	-	(59,700)
Operating transfers (out)	-	(6,700)	(6,776)	(76)
Total other financing sources	-	53,000	(6,776)	(59,776)
Net change in fund balances	-	(6,700)	108,769	115,469
Fund balances, beginning	-	6,754	6,775	21
Fund balances, ending	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 115,544</u>	<u>\$ 115,490</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 2021

Total OPEB Liability	2018	2019	2020	2021
Service cost	\$ 31,570	\$ 46,066	\$ 48,107	\$ 68,233
Interest	1,291	1,262	1,020	1,406
Changes in assumptions	(33,253)	430,037	(187,432)	(120,562)
Amortization component	-	-	27,781	26,802
Net change in total OPEB liability	(392)	477,365	(110,524)	(24,121)
Total OPEB liability – beginning	560,348	559,956	1,037,321	926,797
Total OPEB liability – ending	<u>\$ 559,956</u>	<u>\$1,037,321</u>	<u>\$ 926,797</u>	<u>\$ 902,676</u>
Covered-employee payroll	\$3,797,094	\$3,598,527	\$3,891,281	\$4,361,643
Total OPEB liability as a percentage of covered-employee payroll	14.75%	28.83%	23.82%	20.70%

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 2021.

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. There were changes in assumptions related to the change in the discount rate from 2.12% at the beginning of the measurement period to 2.06% as of December 31, 2021.

As of December 31, 2018 through 2021, 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, 2021 Through 2014

Fiscal Year	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%
12/31/2021	0.564454%	(989,721)	3,704,453	(26.72%)	260.12%

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
For the Years Ended December 31, 2021 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%
12/31/2021	453,549	453,549	-	3,704,453	12.24%

OTHER SUPPLEMENTARY INFORMATION

WASHINGTON PARISH GOVERNMENT

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

SPECIAL REVENUE FUNDS

Criminal Justice Sales Tax 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, expiring on December 31, 2023.

HMGP Fund – The HMGP 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.

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, 2021

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

CDBG Fund – Accounts for a Louisiana Community Development Block Grant to provide matching funds for the 2016 flood events.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue Funds						
	Criminal Justice Sales Tax Fund	HMGP Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
ASSETS							
Cash	\$ 328,153	\$ -	\$ 34,959	\$ 117,936	\$ 5,026	\$ 356,294	\$ 81,713
Investments	-	-	-	-	65,682	97,745	-
Receivables	174,112	-	265	1,870	124,187	375,024	18,123
FEMA Receivable	-	19,325	-	-	-	-	-
TOTAL ASSETS	\$ 502,265	\$ 19,325	\$ 35,224	\$ 119,806	\$ 194,895	\$ 829,063	\$ 99,836
LIABILITIES							
Accounts payable	\$ 119,608	\$ 19,325	\$ 50	\$ 3,515	\$ 79,085	\$ 25,641	\$ 9,231
Unearned revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	119,608	19,325	50	3,515	79,085	25,641	9,231
FUND BALANCES							
Nonspendable:							
Not in spendable form	-	-	-	-	-	-	-
Restricted	382,657	-	35,174	116,291	115,810	803,422	90,605
TOTAL FUND BALANCES	382,657	-	35,174	116,291	115,810	803,422	90,605
TOTAL LIABILITIES AND FUND BALANCES	\$ 502,265	\$ 19,325	\$ 35,224	\$ 119,806	\$ 194,895	\$ 829,063	\$ 99,836

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS (Continued)
December 31, 2021

	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 Water Improvements Fund	CDBG Grant Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash	\$ 12,626	\$ 153,060	\$ 92,643	\$ 1,073,989	\$ 10	\$ -	\$ 2,256,409
Investments	-	-	-	321,577	-	-	485,004
Receivables	36,068	-	-	556,874	25,267	-	1,311,790
FEMA Receivable	-	-	-	-	-	-	19,325
TOTAL ASSETS	\$ 48,694	\$ 153,060	\$ 92,643	\$ 1,952,440	\$ 25,277	\$ -	\$ 4,072,528
LIABILITIES							
Accounts payable	\$ 4,981	\$ -	\$ -	\$ 24,696	\$ 25,267	\$ -	\$ 311,399
Unearned revenue	15,243	-	-	29,216	-	-	44,459
TOTAL LIABILITIES	20,224	-	-	53,912	25,267	-	355,858
FUND BALANCES							
Nonspendable:							
Not in spendable form	15,243	-	-	-	-	-	15,243
Restricted	13,227	153,060	92,643	1,898,528	10	-	3,701,427
TOTAL FUND BALANCES	28,470	153,060	92,643	1,898,528	10	-	3,716,670
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,694	\$ 153,060	\$ 92,643	\$ 1,952,440	\$ 25,277	\$ -	\$ 4,072,528

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, 2021

	Special Revenue Funds						
	Criminal Justice Sales Tax Fund	HMGP Disaster Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
REVENUES							
Taxes							
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ 221,594	\$ 669,087	\$ -
Sales	1,871,537	-	-	-	-	-	-
Intergovernmental federal funds							
Federal grants	-	19,325	-	-	-	-	-
State funds							
State revenue sharing	-	-	-	-	12,698	38,340	-
Other	-	-	-	-	653,170	-	-
Fees, charges, etc.	-	-	6,382	46,461	-	15,253	-
Fines and penalties	-	-	-	-	-	-	214,593
Interest income	137	-	13	51	503	1,516	26
Other	21,026	-	-	-	2,757	46	-
Total revenues	1,892,700	19,325	6,395	46,512	890,722	724,242	214,619
EXPENDITURES							
Current							
General government							
Judicial	1,095,268	-	250	19,087	221,514	-	173,315
Finance and administrative	39,770	19,325	-	-	16,934	51,345	-
Public Safety	738,927	-	-	-	49,066	-	-
Health and welfare	-	-	-	-	-	766,869	-
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, 2021

	Special Revenue Funds						
	Criminal Justice Sales Tax Fund	HMGP Disaster Fund	Special Witness Fund	Criminal Jury Fund	Courthouse Maintenance Fund	Health Unit Maintenance Fund	Criminal Court Fund
Capital outlay	-	-	-	-	1,415,488	13,500	-
Total expenditures	1,873,965	19,325	250	19,087	1,703,002	831,714	173,315
Excess (deficiency) of revenues over expenditures	18,735	-	6,145	27,425	(812,280)	(107,472)	41,304
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	813,000	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	813,000	-	-
Net change in fund balances	18,735	-	6,145	27,425	720	(107,472)	41,304
Fund balances, beginning	363,922	-	29,029	88,866	115,090	910,894	49,301
Fund balances, ending	\$ 382,657	\$ -	\$ 35,174	\$ 116,291	\$ 115,810	\$ 803,422	\$ 90,605

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, 2021

	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 Water Improvements Fund	CDBG Grant Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes							
Ad valorem	\$ -	\$ -	\$ -	\$ 989,646	\$ -	\$ -	\$ 1,880,327
Sales	-	-	-	-	-	-	1,871,537
Intergovernmental federal funds							
Federal grants	41,266	-	-	47,065	423,858	73,325	604,839
State funds							
State revenue sharing	-	-	-	56,709	-	-	107,747
Other	-	-	-	32,170	94,380	-	779,720
Fees, charges, etc.	-	-	-	14,395	-	-	82,491
Fines and penalties	-	-	-	1,940	-	-	216,533
Interest income	7	76	40	2,727	-	-	5,096
Other	-	2,010	-	10,369	114,420	-	150,628
Total revenues	41,273	2,086	40	1,155,021	632,658	73,325	5,698,918
EXPENDITURES							
Current							
General government							
Judicial	-	-	-	-	-	-	1,509,434
Finance and administrative	-	-	-	75,898	-	-	203,272
Public Safety	154,860	-	-	-	-	-	942,853
Health and welfare	-	-	-	-	-	-	766,869
Culture and recreation	-	1,895	-	1,036,184	-	-	1,038,079

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, 2021

	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 Water Improvements Fund	CDBG Grant Fund	Total Nonmajor Governmental Funds
Capital outlay	-	-	-	-	632,658	-	2,061,646
Total expenditures	154,860	1,895	-	1,112,082	632,658	-	6,522,153
Excess (deficiency) of revenues over expenditures	(113,587)	191	40	42,939	-	73,325	(823,235)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	90,927	-	-	-	-	-	903,927
Operating transfers out	-	-	-	-	-	(73,325)	(73,325)
Total other financing sources (uses)	90,927	-	-	-	-	(73,325)	830,602
Net change in fund balances	(22,660)	191	40	42,939	-	-	7,367
Fund balances, beginning	51,130	152,869	92,603	1,855,589	10	-	3,709,303
Fund balances, ending	<u>\$ 28,470</u>	<u>\$ 153,060</u>	<u>\$ 92,643</u>	<u>\$ 1,898,528</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 3,716,670</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, 2021

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

Salary	\$	174,261
Benefits – retirement		21,347
Benefits – insurance		16,242
Vehicle provided by government		3,863
Conference travel		1,166
Telephone		440
Total	\$	<u>217,319</u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
GENERAL FUND
For the Year Ended December 31, 2021

	First Six Month Period Ended 6/30/21	Second Six Month Period Ended 12/31/21
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ 1,544	\$ 960
Bogalusa City Court - Criminal Fines - Other	<u>11,820</u>	<u>10,755</u>
Total receipts	<u>\$ 13,364</u>	<u>\$ 11,715</u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
SPECIAL WITNESS FUND
For the Year Ended December 31, 2021

	First Six Month Period Ended 6/30/21	Second Six Month Period Ended 12/31/21
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ 4,538	\$ 2,234
Total receipts	<u>\$ 4,538</u>	<u>\$ 2,234</u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
CRIMINAL JURY FUND
For the Year Ended December 31, 2021

	First Six Month Period Ended <u>6/30/21</u>	Second Six Month Period Ended <u>12/31/21</u>
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ <u>32,909</u>	\$ <u>16,254</u>
Total receipts	\$ <u><u>32,909</u></u>	\$ <u><u>16,254</u></u>

WASHINGTON PARISH GOVERNMENT
JUSTICE SYSTEM FUNDING SCHEDULE – RECEIVING ENTITY –
CRIMINAL COURT FUND
For the Year Ended December 31, 2021

	First Six Month Period Ended <u>6/30/21</u>	Second Six Month Period Ended <u>12/31/21</u>
Receipts From:		
Washington Parish Sheriff - Criminal Fines - Other	\$ 63,957	\$ 38,952
Washington Parish Sheriff – Bond Fees	<u>17,088</u>	<u>33,578</u>
Total receipts	<u>\$ 81,045</u>	<u>\$ 72,530</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, 2021, 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 13, 2022.

Report on 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.

Report on 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 financial statements. 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

Washington Parish Government's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Parish's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Parish's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 13, 2022



**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

Opinion on Each Major Federal Program

We have audited Washington Parish Government's (the Parish) compliance with the types of compliance requirements described identified as subject to audit 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Parish and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Parish's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Parish's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Parish's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Parish's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Parish's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Parish's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 13, 2022

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Award Number	Assistance Listing 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-2021-EP-000011-S01	97.042	\$ -	\$ 14,317
Homeland Security Grant Program	EMW-2020-SS-000111-S01	97.067	-	26,949
Hazard Mitigation Grant Program	1603-117-0019	97.039	-	19,325
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Disaster #611 Hurricane Ida	97.036	-	7,691,536
Total Department of Homeland Security			-	7,752,127
U.S. Department of Transportation				
Passed through State Department of Transportation and Development:				
COVID-19- Formula Grants for Rural Areas	RU-18-59-21	20.509	237,673	237,673
COVID-19- Formula Grants for Rural Areas	RU-18-59-22	20.509	267,681	267,681
Total Department of Transportation			505,354	505,354
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	-	423,858
Community Development Block Grant	B-16-DL-22-0001	14.228	-	73,325
Total Department of Housing and Urban Development			-	497,183
U.S. Department of the Treasury				
Direct Program:				
COVID-19-Coronavirus Relief Fund	NONE	21.019	-	113,291
Total Department of the Treasury			-	113,291
Total Expenditures of Federal Awards			\$ 505,354	\$ 8,867,955

WASHINGTON PARISH GOVERNMENT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2021

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, 2021, 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, 2021, 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, 2021.

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

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 X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial statements noted? X Yes No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X 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 X No

Identification of major programs:

Assistance Listing NumberName of Federal Program or Cluster

97.036

Disaster Grants – Public Assistance (Presidentially Declared Disasters)

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued
For the Year Ended December 31, 2021

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

2021-001

Criteria

Management is responsible for compliance with all applicable state laws and regulations. Louisiana Revised Statute 42:344 related to the “Prevention of Sexual Harassment”, requires each agency head to compile an annual report by February first of each year containing information from the previous calendar year regarding the agency’s compliance with their sexual harassment policies.

Condition

During our audit procedures, we noted the Parish did not prepare the required report by February 1, 2022 for the year ended December 31, 2021.

Cause

This was the result of management not ensuring the report was prepared by February 1, 2022.

Effect

The Parish may not be in-compliance with Louisiana Revised Statute 42:344.

Recommendation

We recommend the Parish implement procedures to ensure this report is prepared timely as required by Louisiana Revised Statute 42:344.

Management’s Response

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

WASHINGTON PARISH GOVERNMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2021

	<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	
2020-001	Resolved
SECTION III - MANAGEMENT LETTER	
None issued.	



WASHINGTON PARISH

Richard N. Thomas, Jr., Parish President

Fax (985) 839-7828 • E-mail: rthomas@wpgov.org

* * * *
www.wpgov.org

June 13, 2022

CORRECTIVE ACTION PLAN FINANCIAL STATEMENT - COMPLIANCE FINDINGS December 31, 2021

Louisiana State Legislative Auditor

Washington Parish Government respectfully submits to you the following corrective action plan for the Financial Statement – Compliance Findings – for the year ended December 31, 2021.

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

Audit period: January 1, 2021– December 31, 2021

FINANCIAL STATEMENT - COMPLIANCE FINDINGS

2021-001

Condition:

During our audit procedures, we noted the Parish did not timely prepare the annual report by February 1, 2022, as required by Louisiana Revised Statute 42:344 related to the "Prevention of Sexual Harassment", for the year ended December 31, 2021.

Recommendation:

We recommend the Parish implement procedures to ensure this report is prepared timely as required by Louisiana Revised Statute 42:344

Management's Response:

Washington Parish Government concurs with the recommendation suggested by our auditors. The required report has been prepared and is now available for the public as the statute requires. We have implemented procedures to assure the report will be completed and available by February 1st in accordance with Louisiana Revised statute 42:344.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Washington Parish Council, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Washington Parish Government's management is responsible for those C/C areas identified in the SAUPs.

The Washington Parish Government (the Parish) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

- I. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

We obtained the entity's policies on budgeting and noted no exceptions.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We obtained the entity's policies on purchasing and noted no exceptions.

- c) **Disbursements**, including processing, reviewing, and approving.

We obtained the entity's policies on disbursements and noted no exceptions.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

We obtained the entity's policies on receipts/collections and noted no exceptions.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

We obtained the entity's policies on payroll/personnel and noted no exceptions.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We obtained the entity's policies on contracting and noted no exceptions.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

We obtained the entity's policies on credit cards and noted no exceptions.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We obtained the entity's policies on travel and expense reimbursement and noted no exceptions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

We obtained the entity's policies on ethics and noted no exceptions.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

We obtained the entity's policies on debt service and noted no exceptions.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We obtained the entity's policies on information technology disaster recovery/business continuity and noted no exceptions.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We obtained the entity's policies on sexual harassment and noted no exceptions.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The Washington Parish Council met bi-monthly, with a quorum present at each meeting, without exception.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Noted the minutes referenced or included the budget-to-actual comparisons mentioned, without exception.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

N/A – no negative ending unassigned fund balance in the prior year report.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Bank reconciliations included evidence that they were prepared within 2 months of the statement closing date, without exception.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Noted proper segregation of duties for the responsibilities listed above, without exception.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

N/A – no outstanding items greater than 12 months identified.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites for the fiscal period and management's representation that the listing is complete, without exception.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Observed insurance policy covering all applicable employees, without exception.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

The Parish utilizes sequentially pre-numbered receipts and computer-generated receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Examined collection documentation for 2 deposits tracing each to the deposit slip, without exception.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Examined deposit slips for 2 deposits tracing each to the bank statement, without exception.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Examined 2 deposits noting that all were made within the proper time range, without exception.

- e) Trace the actual deposit per the bank statement to the general ledger.

Examined 2 deposits per the bank statements tracing each to recording in the general ledger, without exception.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing of locations that process payments for the fiscal period and management's representation that the listing is complete, without exception.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- b) At least two employees are involved in processing and approving payments to vendors.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Noted proper segregation of duties for the responsibilities listed above, without exception.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Examined 5 disbursements noting each matched the original invoice, without exception.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Noted proper segregation of duties for each of the disbursements examined, without exception.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Obtained complete listing of all active credit cards for the fiscal period and management's representation that the listing is complete, without exception.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Noted each statement examined showed evidence of review and approval by appropriate personnel, without exception.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Noted no finance charges or late fees assessed on the statements examined.

13. sing the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Examined 12 transactions noting each was supporting by the proper documentation as noted above, without exception.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Noted all per diem reimbursements were in accordance with the U.S General Services Administration of the State, without exception.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Noted all actual cost reimbursements were supported by an original itemized receipt, without exception.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Noted each reimbursement was supported by proper documentation, without exception.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Noted each reimbursement examined showed evidence of review and approval by appropriate personnel, without exception.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Examined 5 contracts noting each was properly bid in accordance with the Louisiana Public Bid Law, without exception.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Examined 5 contracts noting each was properly bid in accordance with the Louisiana Public Bid

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Examined 5 contracts noting that all amendments made were in compliance with the terms of the original contract, without exception.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Examined 1 payment for each contract tested noting all were in accordance with the contract, without exception.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained complete listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete, without exception.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Noted each employee tested documented their daily attendance and leave, without exception.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Noted all attendance and leave taken was approved by the employees' supervisor, without exception.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Noted all leave accrued or taken was properly reflected in the Parish's cumulative records, without exception.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Noted authorized salary/pay rate for each individual tested agreed to their personnel file, without exception.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Examined 2 employees/officials who received termination payments during the period, noting each was in accordance with the Parish's policies, agreed to the cumulative leave records, and was agreed to the employees' authorized salary/pay rate, without exception.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Per discussion with management, all employer and employee portions of third-party payroll related amounts have been properly paid and forms filed by the required deadline.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Examined 5 employees noting each completed the required ethics training during the period, without exception.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Per management, there were no changes to the Parish's ethics policies during the period.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

N/A – the Parish issued no debt during the period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

N/A – the Parish had no outstanding debt during the period.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

N/A – per management the Parish had no misappropriation of public funds or assets during the period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observed required notice on the Parish's website and premises, without exception.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Obtained and observed backup documentation listed above, noting no exceptions.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Obtained and examined backup documentation listed above, noting no exceptions.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Observed 5 computers noting each had the requirements noted above, without exception.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Examined 5 employees noting each completed the required sexual harassment training during the period, without exception.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Observed the sexual harassment policy and complaint procedure posted on the Parish's website, without exception.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Obtained and examined the Parish's annual sexual harassment report for the period noting all the information listed above is included, without exception. However, noted the report was not dated on or before February 1. We consider this an exception.

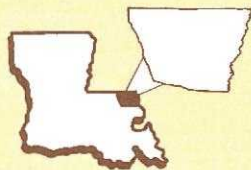
We were engaged by the Parish to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged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

We are required to be independent of the Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 13, 2022



WASHINGTON PARISH

Richard N. Thomas, Jr., Parish President

Fax (985) 839-7828 • E-mail: rthomas@wpgov.org

* * * *
www.wpgov.org

June 13, 2022

CORRECTIVE ACTION PLAN STATEWIDE AGREED UPON PROCEDURES FINDINGS December 31, 2021

Louisiana State Legislative Auditor

Washington Parish Government respectfully submits to you the following corrective action plan for the Louisiana Statewide Agreed Upon Procedures Findings – for the year ended December 31, 2021.

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

Audit period: January 1, 2021– December 31, 2021

STATEWIDE AGREED UPON PROCEDURES - FINDINGS

Procedure number:

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Condition:

Obtained and examined the Parish's annual sexual harassment report for the period noting all the information listed above is included, without exception. However, noted the report was not dated on or before February 1. We consider this an exception.

Recommendation:

We recommend the Parish implement procedures to ensure this report is prepared timely as required by Louisiana Revised Statute 42:344.

Management's Response:

Washington Parish Government concurs with the recommendation suggested by our auditors. The required report has been prepared and is now available for the public as the statute requires. We have implemented procedures to assure the report will be completed and available by February 1st in accordance with Louisiana Revised statute 42:344.