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WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

*General-Purpose Financial Statements,
Supplemental Information, and Independent Auditor's Reports*

Year Ended December 31, 1998

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

Release Date 7-28-99

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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*AUDIT REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS*

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS

Washington Parish Government
Franklinton, Louisiana

I have audited the accompanying general-purpose financial statements of the Washington Parish Government, Franklinton, Louisiana, as of and for the year ended December 31, 1998. These general-purpose financial statements are the responsibility of the Washington Parish Government's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The general-purpose financial statements referred to above do not include financial data of the discretely presented component units as listed in note 1, which should be included in order to conform with generally accepted accounting principles. The effects of the omission of these governmental agencies on assets, liabilities and fund equity at December 31, 1998 and the excess of revenues over expenditures for the year then ended on the general-purpose financial statements cannot be reasonably determined.

In my opinion, except for the effects of the omission of the financial statements of component units as explained in the third paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Washington Parish Government, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Washington Parish Government. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as whole.

The Year 2000 Disclosure on page 41 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Washington Parish Government is or will become year 2000 compliant, that the Washington Parish Government's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Washington Parish Government, does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 29, 1999 on my consideration of the Washington Parish Government's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.



Certified Public Accountant

Bogalusa, Louisiana
June 29, 1999

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUND	INTERNAL SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
ASSETS AND OTHER DEBITS									
Assets:									
Cash and cash equivalents	\$ 3,834,707	\$ 916,054	\$ 184,267	\$	\$ 188,790	\$			\$ 5,123,818
Investments		163,603							163,603
Receivables	490,720	1,299,532	101,155		6,830				1,898,237
Equity in Choctaw Road Landfill				9					9
Due from other funds	276,821	4,134,961	1,060						4,412,842
Land, buildings, and equipment						12,412,966			12,412,966
Prepaid insurance	45,929						286,482		45,929
Other debits:									
Amount available in debt service fund									286,482
Amount to be provided for retirement of general long-term debt							380,282		380,282
Total Assets and Other Debits	\$ 4,648,177	\$ 6,514,159	\$ 286,482	\$	\$ 195,621	\$	\$ 12,412,966	\$ 666,764	\$ 24,724,168
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	\$ 32,841	\$ 90,513	\$	\$	\$ 73,717	\$			\$ 197,071
Payroll deductions payable	18,507								18,507
Due to other funds	4,135,097	275,460			2,285				4,412,842
Retainage payable		19,866							19,866

(Continued)

The accompanying notes are an integral part of this statement

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUND	INTERNAL SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
Landfill closure and postclosure care costs payable	\$	\$	\$	\$	\$		\$	\$	\$
Capital leases payable									
Compensated absences payable									
Bonds payable									
Total liabilities	4,186,445	385,839	—	—	76,002		—	—	234,504 133,912
Fund Equity:									
Investment in general fixed assets							12,412,966		12,412,966
Retained earnings:									
Reserved for insurance claims									119,619
Fund balances:									
Reserved:									
Economic Development Debt service	50,000								50,000
Unreserved:									
Designated:									
Closure and postclosure care costs		234,504							234,504
Construction		600,000							600,000
Undesignated	411,732	5,293,816	(111,222)						5,594,326
Total Fund Equity	461,732	6,128,320	286,482	—	119,619		12,412,966	—	19,409,119
Total Liabilities and Fund Equity	4,648,177	6,514,159	286,482	—	195,621		12,412,966	666,764	24,724,169

(Concluded)
The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total (Memorandum Only)</u>
REVENUES					
Taxes:					
Ad valorem	\$ 229,422	\$ 1,038,998	\$ 100,929	\$	\$1,369,349
Sales	6,785	1,497,618			1,504,403
Licenses and permits	128,278				128,278
Intergovernmental revenues:					
Federal funds:					
Federal grants		95,625			95,625
State funds:					
Parish transportation funds		689,766			689,766
State revenue sharing (net)	39,187	163,323			202,510
Other	648,887	152,524		9,380	810,791
Fees, charges, etc.	122,530	10,971			133,501
Fines and forfeitures	1,065	93,947			95,012
Interest	673	95,587	4,993		101,253
Other	513	76,129			76,642
Total revenues	<u>1,177,340</u>	<u>3,914,488</u>	<u>105,922</u>	<u>9,380</u>	<u>5,207,130</u>
EXPENDITURES					
Current:					
General government:					
Legislative	151,291				151,291
Judicial	659,045	129,349			788,394
Executive	71,810				71,810
Elections	101,719				101,719
Finance and administrative	129,719				129,719
Other	30,576	107,863			138,439
Public safety	258,557	96,817		9,380	364,754
Health and welfare	42,031	108,509			150,540
Highways and streets		1,169,256			1,169,256
Sanitation		57,751			57,751
Culture and recreation		384,545			384,545
Debt service	3,309	107,591	118,762		229,662
Capital outlay	15,950	605,416			621,366
Total expenditures	<u>1,464,007</u>	<u>2,767,097</u>	<u>118,762</u>	<u>9,380</u>	<u>4,359,246</u>

(Continued)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total (Memorandum Only)</u>
Excess (deficiency) of revenue over expenditures	\$ (286,667)	\$ 1,147,391	\$ (12,840)	\$ —	\$ 847,884
OTHER FINANCING SOURCES (USES)					
Operating transfers in	475,159	466,760			941,919
Operating transfers (out)		(941,233)			(941,233)
Choctaw Road Landfill joint venture income (loss)		(237,226)			(237,226)
Excess sales tax split with other government entities		(114,672)			(114,672)
Sale of fixed assets		1,401			1,401
Total other financing sources (uses)	<u>475,159</u>	<u>(824,970)</u>	<u>—</u>	<u>—</u>	<u>(349,811)</u>
Excess of revenues and other financing sources over expenditures and other uses	188,492	322,421	(12,840)	—	498,073
Fund balances at beginning of year	<u>273,240</u>	<u>5,805,899</u>	<u>299,322</u>	<u>—</u>	<u>6,378,461</u>
Fund balances at end of year	<u>\$ 461,732</u>	<u>\$ 6,128,320</u>	<u>\$ 286,482</u>	<u>\$ —</u>	<u>\$ 6,876,534</u>

(Concluded)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
GOVERNMENTAL FUNDS - GENERAL,
SPECIAL REVENUE AND DEBT SERVICE FUNDS

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1998

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES									
Taxes:									
Ad Valorem	\$ 219,824	\$ 229,422	\$ 9,598	\$ 854,752	\$ 1,038,998	\$ 184,246	\$ 73,750	\$ 100,929	\$ 27,179
Sales	8,500	6,785	(1,715)	1,664,968	1,497,618	(167,340)			
Licenses and permits	134,150	128,278	(5,872)						
Intergovernmental revenues:									
Federal funds:									
Federal grants				100,545	95,625	(4,920)			
State funds:									
Parish transportation funds				637,113	689,766	52,653			
State revenue sharing (net)	39,187	39,187	—	163,323	163,323	—			
Other	538,987	648,887	109,900	164,208	152,524	(11,684)			
Fees, charges, etc.	68,850	122,530	53,680	11,000	10,971	(29)			
Fines and forfeitures	1,500	1,065	(435)	134,896	93,947	(40,949)			
Interest	1,300	673	(627)	88,719	95,587	6,868		4,993	176
Other	55,600	513	(55,087)	20,238	76,129	55,891			
Total revenues	<u>1,067,898</u>	<u>1,177,340</u>	<u>109,442</u>	<u>3,839,752</u>	<u>3,914,488</u>	<u>74,736</u>	<u>78,567</u>	<u>105,922</u>	<u>27,355</u>
EXPENDITURES									
Current:									
General government:									
Legislative	151,451	151,291	160						
Judicial	667,808	659,045	8,763	132,156	129,349	2,807			
Executive	74,233	71,810	2,423						
Elections	96,809	101,719	(4,910)						
Finance and administrative	125,725	129,719	(3,994)						
Other	25,170	30,576	(5,406)	124,290	107,863	16,427			
Public safety	262,693	258,557	4,136	65,178	96,817	(31,639)			
Health and welfare	42,566	42,031	535	104,975	108,509	(3,534)			
Highways and streets				1,192,637	1,169,256	23,381			

(Continued)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
GOVERNMENTAL FUNDS - GENERAL,
SPECIAL REVENUE AND DEBT SERVICE FUNDS

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1998

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
EXPENDITURES (cont'd)									
Sanitation	\$	\$	\$	\$	\$	\$	\$	\$	\$
Culture and recreation			(119)			(3,905)			(3,242)
Debt service	3,190	3,309		116,175	107,591	8,584	115,520	118,762	
Capital outlay	16,824	15,950	874	523,906	605,416	(81,510)			
Total expenditures	<u>1,466,469</u>	<u>1,464,007</u>	<u>2,462</u>	<u>2,713,825</u>	<u>2,767,097</u>	<u>(53,272)</u>	<u>115,520</u>	<u>118,762</u>	<u>(3,242)</u>
Excess (deficiency) of revenues over expenditures	<u>(398,571)</u>	<u>(286,667)</u>	<u>111,904</u>	<u>1,125,927</u>	<u>1,147,391</u>	<u>21,464</u>	<u>(36,953)</u>	<u>(12,840)</u>	<u>24,113</u>
OTHER FINANCING SOURCES (USES)									
Operating transfers in	475,159	475,159	—	443,411	466,760	23,349			
Operating transfers (out)				(941,233)	(941,233)	—			
Choctaw Road Landfill joint venture income (loss)				(227,769)	(237,226)	(9,457)			
Excess sales tax split with other government entities				(114,672)	(114,672)	—			
Sale of fixed assets				1,401	1,401	—			
Total other financing sources (uses)	<u>475,159</u>	<u>475,159</u>	<u>—</u>	<u>(838,862)</u>	<u>(824,970)</u>	<u>13,892</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	76,588	188,492	111,904	287,065	322,421	35,356	(36,953)	(12,840)	24,113
Fund balances at beginning of year	<u>264,049</u>	<u>273,240</u>	<u>9,191</u>	<u>5,831,471</u>	<u>5,805,899</u>	<u>(25,572)</u>	<u>309,416</u>	<u>299,322</u>	<u>(10,094)</u>
Fund balances at end of year	<u>\$ 340,637</u>	<u>\$ 461,732</u>	<u>\$ 121,095</u>	<u>\$ 6,118,536</u>	<u>\$ 6,128,320</u>	<u>\$ 9,784</u>	<u>\$ 272,463</u>	<u>\$ 286,482</u>	<u>\$ 14,019</u>

(Concluded)
The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
PROPRIETARY FUND
INTERNAL SERVICE FUND

Combined Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended December 31, 1998

	<u>Group Insurance Fund</u>
OPERATING REVENUES	
Interfund insurance premiums	\$ 323,937
Interest income	<u>5,361</u>
Total operating revenues	<u>329,298</u>
OPERATING EXPENSES	
Claims paid	<u>420,999</u>
Total operating expenses	<u>420,999</u>
Net income (loss)	(91,701)
Retained earnings at beginning of year	<u>211,320</u>
Retained earnings at end of year	<u>\$ 119,619</u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 PROPRIETARY FUND
 INTERNAL SERVICE FUND

Combined Statement of Cash Flows
 For the Year Ended December 31, 1998

	<u>Group Insurance Fund</u>
Cash flows from operating activities:	
Net income (loss)	\$ (91,701)
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	60,650
Increase (decrease) in:	
Accounts payable	13,566
Interfund payable	<u>(17,945)</u>
Net cash provided (used) in operating activities	<u>(35,430)</u>
Cash and cash equivalents at beginning of year	<u>224,220</u>
Cash and cash equivalents at end of year	<u>\$ 188,790</u>

Note: There was no interest paid in 1998.

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the year ended December 31, 1998

INTRODUCTION

The Washington Parish Police Jury (the Police Jury) was the governing authority for Washington Parish and was a political subdivision of the State of Louisiana. The Government was governed by 14 jurors representing the various districts within the parish.

On October 18, 1997, the voters of Washington Parish approved a new home rule charter which operates under a "president-council" form of government. The new charter became effective on November 17, 1998 when the newly elected President was sworn in for a term that expires in January, 2000. The title of the 14 existing police jurors changed to council members, and they will fill out their terms which also expire in January, 2000. A new council, consisting of 7 members, will then be elected to four year terms, when the redistricting plan is approved by the U.S. Department of Justice.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Washington Parish Government (the Government) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

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.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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

This criteria includes:

1. 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 impose specific financial burdens on the Parish Government.
2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent 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 maintains the accounting records.

Blended Component Unit

The Tourism Tax Fund (the Fund) was established by Ordinance No. 49 on December 29, 1992, which imposed a 3% bed and board tax to fund the Washington Parish Tourism Commission (the Commission) created earlier that year. In 1994 the 3% tax was ruled to be unconstitutional. Since the fund serves all constituents of Washington Parish, and due to the significance of the fiscal dependency relationship, it has been blended with the Parish Government's financial statements.

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

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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.

Discretely Presented 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 discretely presented in the accompanying financial statements.

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Washington Parish Assessor	December 31	2
Washington Parish Clerk of Court	June 30	2
Washington Parish Sheriff	June 30	2
Riverside Medical Center-		
Hospital Service District No. 1	December 31	1
Washington Parish Gas District No. 1	December 31	1
Washington Parish Gas District No. 2	December 31	1
Bogalusa Waterworks District	December 31	1
Varnado Waterworks District	December 31	1
Fire Protection District No. 1	December 31	1
Fire Protection District No. 2	December 31	1
Fire Protection District No. 3	December 31	1
Fire Protection District No. 4	December 31	1
Fire Protection District No. 5	December 31	1
Fire Protection District No. 6	December 31	1

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

Fire Protection District No. 7	December 31	1
Fire Protection District No. 8	December 31	1
Mt. Hermon Fire District	December 31	1
Washington Parish Communications District	December 31	1
Washington Parish Tourism Commission	December 31	1

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 and (b) joint ventures, as follows:

Related Organizations

Housing Authority of Washington Parish - The Parish Government appoints all five Commissioners of the Housing Authority of Washington Parish. However, no further contact or influence exists. Therefore, it is not included in the Parish Government's financial statements.

Joint Ventures

Choctaw Road Landfill (the Joint Venture) - The Parish Government is a participant with the City of Bogalusa (the City) in a joint venture to construct and operate the Choctaw Road Landfill, a solid waste disposal landfill. The Joint Venture was opened in July of 1989. The agreed upon percentages of sharing of construction costs and operating losses were 58.1% for the Parish Government and 41.9% for the City. The Parish Government's share of costs has been funded by a dedicated one percent sales tax in Washington Parish, excluding Ward 4. The City's share of costs has been funded by an ad valorem tax and the issuance of general obligation bonds. The Joint Venture is apparently not experiencing any financial stress. Complete financial statements for the Joint Venture can be obtained from the Washington Parish Parish Government at the parish courthouse in Franklinton, LA.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Parish Government) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Parish Government).

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.

C. FUND ACCOUNTING

The Parish Government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Parish Government are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the Parish Government's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund--the general operating fund of the Parish Government and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

3. Debt Service Fund--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital Project Fund--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Internal Service Fund--accounts for the partial coverage of health insurance provided by one department to other departments or governments on a cost-reimbursement basis.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is followed by all governmental funds (General Fund, Special Revenue Funds, and Debt Service Fund).

Revenues

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Ad valorem taxes are considered "measurable" at the time of levy, whereas such items as beer taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes are considered to be available if they are collected within 60 days after year-end.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

F. BUDGET PRACTICES

Preliminary budgets for the ensuing year are prepared by the Comptroller during October of each year. During November the budget committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets are then advertised in the official journal. Prior to the regular meeting in December, the Parish Government holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearings and the desires of the Parish Government. The budgets are then adopted during the regular December meeting and notice is published in the official journal.

The Parish Government receives monthly budget comparison statements during the year that are used as a tool to control the operations of the parish. In December the Parish Government votes to adopt the final budget

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

adjustments for the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

The Parish Government exercises budgetary control at the functional level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. Budgets are adopted using the modified accrual basis of accounting.

G. 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 employed in the governmental funds. Every appropriation, except an appropriation for a capital expenditure, will lapse at the close of the fiscal year to the extent it has not been expended. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

H. CASH AND CASH EQUIVALENTS 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 Government may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables or interfund payables on the balance sheet.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost.

K. COMPENSATED ABSENCES

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

Employees of the Parish Government, Library and Criminal Court earn vacation leave at varying rates according to years of service. Vacation leave must be taken during the year earned. However, upon termination employees are paid for any unused vacation leave earned during the year.

Employees earn 12 days of sick leave each year. A total of 45 days may be accumulated. All accumulated sick leave lapses upon termination, except for employees of the Library who are paid for all accumulated sick leave upon termination.

L. LONG-TERM DEBT

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

M. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

N. 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. SALES TAXES

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 one per cent 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 re-allocate the above mentioned sales tax so that the proceeds in excess of those needed for the solid waste disposal facilities be used as follows:

- (a) 45% of such excess proceeds to pay the costs of services which the parish is legally obligated to pay under the laws of Louisiana;
- (b) 44.14% of such excess proceeds 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;
- (c) 9.72% of such excess proceeds 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

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

- portion described in this part (c) shall be used for economic development];
- (d) 0.57% of such excess proceeds to be used for constructing, maintaining and improving public roads, highways and bridges in the Village of Angie; and
 - (e) 0.57% of such excess proceeds to be used for constructing, maintaining and improving public roads, highways and bridges in the Village of Varnado.

P. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. FUND DEFICIT

The following individual special revenue fund had a deficit fund balance at December 31, 1998:

Criminal Court Fund	<u>\$ 39,237</u>
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Management states that the Parish Government, according to law, only administers the Criminal Court Fund. All expenditures are incurred by motion of the District Attorney and by order of one District Judge.

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

3. LEVIED TAXES

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

	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide Taxes:		
General Fund:		
Inside	1.85	Indef.
Outside	3.70	Indef.
Special revenue funds:		
Library	4.60	2006
Parish Transportation	4.13	2006
Courthouse Maintenance	1.03	2006
Health Unit Maintenance	3.11	2006
Debt Service Fund	<u>1.25</u>	2001
	<u>19.67</u>	

4. CASH AND CASH EQUIVALENTS

At December 31, 1998, the Parish Government has cash and cash equivalents (book balances) totaling \$5,123,818; all are interest bearing demand deposits.

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. At December 31, 1998, the Parish Government has \$5,224,541 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$5,305,808 of pledged securities held by a custodial bank in the name of the fiscal agent bank.

5. INVESTMENTS

At December 31, 1998, the Parish Government holds investments of Certificates of Deposit for the Library Fund totaling \$163,603. These investments are secured by pledged securities held by a custodial bank in the name of the fiscal agent bank (GASB Category 3).

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

6. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Proprietary Fund</u>
Taxes:				
Ad valorem	\$ 227,350	\$ 1,040,950	\$ 101,155	\$
Sales				
State revenue sharing	26,125	108,882		
Intergovernmental-				
State	111,225	111,849		
Local	15,956	37,850		
Other	<u>110,064</u>	<u> </u>	<u> </u>	<u>6,830</u>
Total	<u>\$ 490,720</u>	<u>\$ 1,299,531</u>	<u>\$ 101,155</u>	<u>\$ 6,830</u>

7. FIXED ASSETS

The changes in general fixed assets follow:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 1998</u>
Parish Government:				
Land	\$ 789,649	\$	\$	\$ 789,649
Building	6,100,372	116,928		6,217,300
Equipment	<u>1,998,218</u>	<u>170,199</u>	<u> </u>	<u>2,168,417</u>
Total Parish Government	<u>8,888,239</u>	<u>287,127</u>	<u> </u>	<u>9,175,366</u>

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

	Balance January 1, 1998	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 1998
Library:				
Land	\$ 42,343	\$	\$	\$ 42,343
Building	489,049			489,049
Furniture & equipment	227,985	77,224		305,209
Books	<u>1,376,007</u>	<u>45,031</u>	<u>57,939</u>	<u>1,363,099</u>
Total Library	<u>2,135,384</u>	<u>122,255</u>	<u>57,939</u>	<u>2,199,700</u>
Landfill	<u>1,031,569</u>	<u>6,331</u>	<u>—</u>	<u>1,037,900</u>
Total	<u>\$ 12,055,192</u>	<u>\$ 415,713</u>	<u>\$ 57,939</u>	<u>\$ 12,412,966</u>

8. PENSION PLAN

Substantially all employees of the Washington Parish Government are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Parish Government are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after 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 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Washington Parish Government is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Washington Parish Government are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Washington Parish Government's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$89,725, \$82,855, and \$76,527, respectively, equal to the required contributions for each year.

9. SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Choctaw Road Landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain *maintenance and monitoring functions* at the site for 30 years after closure. A related liability is being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for closure and postclosure costs at December 31, 1998, determined by the landfill's engineer, was \$403,622. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

The estimated liability for closure and postclosure care costs of \$403,622 as of December 31, 1998 has been recorded in the general long-term debt of each participant's separate financial statements section as follows:

Washington Parish Government	58.1%	\$ 234,504
City of Bogalusa	41.9%	<u>169,118</u>
		<u>\$ 403,622</u>

Neither the Parish Government nor the City is required to set aside funds in escrow to finance future closure and postclosure care costs.

10. LEASES

The Parish Government is obligated under certain leases for copying equipment and motor graders which are accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The following is a schedule of future minimum lease payments as of December 31, 1998:

1999	\$ 77,507
2000	49,729
2001	15,210
2002	<u>2,492</u>
Minimum lease payments	144,938
Less amount representing interest	<u>(11,026)</u>
Present value of minimum lease payments	<u>\$ 133,912</u>

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

11. CHANGES IN GENERAL LONG-TERM DEBT(OBLIGATIONS)

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

	Amount owed <u>1/1/98</u>	<u>Additions</u>	<u>Retirements</u>	Amount owed <u>12/31/98</u>
General obligation jail bond, series 1991	\$ 380,000	\$	\$ 95,000	\$ 285,000
Capital leases payable	230,275		96,363	133,912
Landfill closure and post-closure care costs	195,358	39,146		234,504
Compensated absences	<u>11,182</u>	<u>2,166</u>		<u>13,348</u>
	<u>\$ 816,815</u>	<u>\$ 41,312</u>	<u>\$ 191,363</u>	<u>\$ 666,764</u>

The General Obligation Jail Bonds of the Washington Parish Government dated September 26, 1991, issued in the amount of \$790,000, were issued for the purpose of paying off the General Obligation Jail Bond, Series 1981. The bonds are payable from ad valorem taxation. The bonds are due in annual installments of \$15,000 to \$95,000 through March 1, 2001, with an interest rate of 4.7% to 6.3% per annum. The annual requirements to amortize the bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 95,000	\$ 14,772	\$ 109,772
2000	95,000	8,930	103,930
2001	<u>95,000</u>	<u>2,992</u>	<u>97,992</u>
	<u>\$ 285,000</u>	<u>\$ 26,694</u>	<u>\$ 311,694</u>

12. SELF-INSURANCE

During 1998, the Police Jury was self-insured for medical and dental benefits up to \$15,000 per employee, with Pan American Insurance Company acting as a third party administrator. Each fund contributed interfund insurance premiums to the internal service fund which pays the claims. All known claims have been recorded as claims payable. Retained earnings has been reserved for payment of claims. Beginning January 1, 1999 this partial self-insured plan was terminated, and the employees became insured by an insurance company.

WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

13. LITIGATION

At December 31, 1998, the Parish Government was a defendant in several lawsuits arising principally from vehicular accidents on Parish roads and fall cases occurring within Parish buildings. In a vehicular suit, Richard Blalock versus Washington Parish, et al, the court ruled against the Parish Government and awarded a damage verdict of \$2,486,457 plus interest. The attorney for the Parish Government is stated that the judgement is now final and LIGA has paid approximately \$150,000 of it. The remainder of the judgement is active against the Parish Government. However, under current law, the plaintiff is prohibited from seizing public property to satisfy this money judgement. He can only be paid if the Parish Government appropriates the money. At December 31, 1998 no appropriations had been specifically allocated of the payment of this case or any other case.

14. INTERFUND RECEIVABLES/PAYABLES

Individual fund balances due from/to other funds at December 31, are as follows:

Fund	1998	
	Interfund Receivables	Interfund Payables
General Fund	\$ 276,821	\$ 4,135,097
Special Revenue Funds:		
Tourism Tax	16,464	
Parish Transportation	798,766	
Courthouse Maintenance		75,985
Health Unit Maintenance	491,687	
Criminal Court		40,233
Library		130,967
Special Witness	1,751	
Sales Tax Split Proposition	2,826,293	
LCDBG		1,154
Governor's Office of Urban Development		27,120
Debt Service Fund	1,059	
Internal Service Funds		2,285
Total	<u>\$ 4,412,841</u>	<u>\$ 4,412,841</u>

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

15. CAPITAL PROJECT FUND

The Old Jail Renovation accounts for a \$305,000 grant from the State of Louisiana, as provided in Section 1 of Act 1096. Expenditures were limited to capital improvements for renovations to the old jail in Franklinton, Louisiana.

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

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

Washington Parish Government
Franklinton, Louisiana

I have audited the financial statements of Washington Parish Government as of and for the year ended December 31, 1998, and have issued my report thereon dated June 29, 1999, which was qualified for omission of one or more, but not all component units. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Washington Parish Government's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Washington Parish Government's management and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Bogalusa, Louisiana
June 29, 1999

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

Tourism Tax Fund - The Tourism Tax Fund accounts for the proceeds of a 3% bed and board tax. On March 30, 1994 the 22nd Judicial District Court ruled the tax unconstitutional. The Police Jury voted to suspend collection of the tax in May 1994 pending the ruling of the Louisiana Supreme Court. On November 30, 1994 the Supreme Court upheld the ruling of the lower Court.

Summer Feeding Program Fund - The Summer Feeding Program accounts for the administration of the summer feeding program, which is funded by the Louisiana Department of Education. These funds are used to provide meals to school children during the summer break.

Parish Transportation Fund - The Parish Transportation Fund 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 ad valorem tax expires in 2006.

Courthouse Maintenance Fund - The 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 2006.

Health Unit Maintenance Fund - The Health Unit Maintenance Fund accounts for the operation and maintenance of public health units in the parish. Financing is provided by ad valorem taxes and state revenue sharing. The ad valorem tax expires in 2006.

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.

Library Fund - The Washington Parish Library was established by the Police Jury on November 14, 1945, under provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The library is governed by a board of control, which is appointed by the Police Jury 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 2006.

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 court affidavit is presented to the Parish Comptroller, and when the appropriate payroll department verifies that the officer was off duty.

Sales Tax Split Proposition Fund - The Sales Tax Split Proposition Fund accounts for the proceeds of the one cent sales tax imposed parishwide, excluding the City of Bogalusa, for periods May, 1992, and thereafter, to pay the costs of providing, maintaining, operating, constructing, acquiring, and/or improving solid waste facilities. Excess collections are to be used as follows:

- (a) 45% of excess will be used to pay mandated expenditures of the General Fund which the parish is legally obligated to pay under Louisiana law.
- (b) 44.14% of excess will be placed in the Parish Transportation Fund to be used for constructing, maintaining, and improving parish roads, highways, and bridges.
- (c) 9.72% of excess will be used for constructing, maintaining, and improving roads, highways, bridges, and drainage facilities in the Town of Franklinton. In addition, 80% of this money must be used for economic development in the first five years.
- (d) 1.14% of excess will be equally used for constructing, maintaining, and improving roads, highways, and bridges in the Villages of Angie and Varnado.

Governor's Office of Rural Development Fund - The Governor's Office of Rural Development Fund accounts for a grant from the State of Louisiana. Expenditures were limited to the construction of buildings and purchase of equipment for four of the fire districts in the parish.

Community Development Block Grant - The Community Development Block Grant accounts for a grant from the U.S. Government to resurface roads in certain low income areas.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
December 31, 1998

	Tourism Tax	Summer Feeding Program	Parish Trans- portation	Court- house Main- tenance	Health Unit Main- tenance	Criminal Court	Library	Special Witness	Sales Tax Split Proposition	Governor's Office of Rural Development	Community Development Block Grant	Totals
Cash and cash equivalents	\$ 16,464	\$ 52,467	\$ 41,449	\$ 484,239	\$ 240,003	\$ 916,054						\$ 916,054
Investments					163,603	163,603						163,603
Receivables		482,095	91,851	277,431	409,151	54				36,800	1,154	1,299,532
Equity in Choctaw Road Landfill												
Due from other funds	16,464		798,766	491,687		1,751		2,826,293				4,134,961
Total assets	<u>\$ 16,464</u>	<u>\$ --</u>	<u>\$ 1,333,328</u>	<u>\$ 133,300</u>	<u>\$ 1,253,357</u>	<u>\$ 996</u>	<u>\$ 812,757</u>	<u>\$ 1,805</u>	<u>\$ 2,924,198</u>	<u>\$ 36,800</u>	<u>\$ 1,154</u>	<u>\$ 6,514,159</u>

LIABILITIES AND
FUND BALANCES

Liabilities:												
Accounts payable	\$ 76,993	\$ 89	\$ 548	\$ 2,704	\$ 425	\$ 74	\$ 9,680	\$ 90,513				\$ 90,513
Retainage payable	19,866							19,866				19,866
Due from other funds		75,985	40,233	130,968	1,154	27,120	1,154	275,460				275,460
Total liabilities	<u>--</u>	<u>96,859</u>	<u>126,226</u>	<u>261,936</u>	<u>425</u>	<u>74</u>	<u>36,800</u>	<u>385,839</u>				<u>385,839</u>
Fund balances:												
Unreserved:												
Designated -												
for closure and												
postclosure												
care costs												
for construction												
Undesignated(deficit)	16,464	1,236,469	1,252,809	(39,237)	1,380	2,089,620	234,504	600,000				234,504
Total fund balances	<u>16,464</u>	<u>1,236,469</u>	<u>1,252,809</u>	<u>(39,237)</u>	<u>1,380</u>	<u>2,924,124</u>	<u>679,085</u>	<u>600,000</u>				600,000
Total liabilities												
and fund balances	<u>\$ 16,464</u>	<u>\$ --</u>	<u>\$ 133,300</u>	<u>\$ 1,253,357</u>	<u>\$ 996</u>	<u>\$ 812,757</u>	<u>\$ 1,805</u>	<u>\$ 2,924,198</u>	<u>\$ 36,800</u>	<u>\$ 1,154</u>	<u>\$ 1,154</u>	<u>\$ 6,514,159</u>

See accompanying auditor's report.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended December 31, 1998

	Tourism Tax	Summer Feeding Program	Parish Trans- portation	Court- house Main- tenance	Health Unit Main- tenance	Criminal Court	Library	Special Witness	Sales Tax Split Proposition	Governor's Office of Rural Development	Community Development Block Grant	Totals
Revenues:												
Taxes:												
Ad Valorem	\$ 7,000											\$ 7,000
Sales tax									1,490,618			1,497,618
Intergovernmental revenues:												
Federal grants		61,651										
State funds:												
Parish transportation funds			689,766									
State revenue sharing(net)			52,410	13,071	39,469		58,373			120,158		689,766
Other			7,000				25,366					152,524
Fees, charges, etc.												10,971
Fines and forfeitures												93,947
Interest	135			898	19,302	88,727	5,220					95,587
Other							13,740	4	45,866			76,129
Total revenues	<u>7,135</u>	<u>61,651</u>	<u>1,098,661</u>	<u>97,121</u>	<u>309,842</u>	<u>88,777</u>	<u>549,710</u>	<u>10,975</u>	<u>1,536,484</u>	<u>120,158</u>	<u>33,974</u>	<u>3,914,488</u>
Expenditures:												
Current:												
General government:												
Judicial												129,349
Other												107,863
Public safety												96,817
Health and welfare												108,509
Highways and streets												1,169,256
Sanitation												57,751
Culture and recreation												384,545
Debt service												107,591
Capital outlay												605,416
Total expenditures	<u>4,985</u>	<u>62,337</u>	<u>1,690,035</u>	<u>114,467</u>	<u>48,282</u>	<u>118,524</u>	<u>500,921</u>	<u>10,825</u>	<u>62,589</u>	<u>120,158</u>	<u>33,974</u>	<u>2,767,097</u>

(Continued)
See accompanying auditor's report.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended December 31, 1998

	Tourism Tax	Summer Feeding Program	Parish Trans- portation	Court- house Main- tenance	Health Unit Main- tenance	Criminal Court	Library	Special Witness	Sales Tax Split Proposition	Governor's Office of Rural Development	Community Development Block Grant	Totals
Excess (deficiency) of revenue over expenditures	\$ 2,150	\$ (686)	\$ (591,374)	\$ (17,346)	\$ 261,560	\$ (29,747)	\$ 48,789	\$ 150	\$ 1,473,895	\$ —	\$ —	\$ 1,147,391
Other financing sources (uses):												
Operating transfers in (out)		686	466,074						(941,233)			(474,473)
Choctaw Road Landfill joint venture income (loss)									(237,226)			(237,226)
Excess sales tax split with other government entities			1,401						(114,672)			(114,672)
Sale of fixed assets												1,401
Total other financing sources (uses)	—	686	467,475	—	—	—	—	—	(1,293,131)	—	—	(824,970)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	2,150	—	(123,899)	(17,346)	261,560	(29,747)	48,789	150	180,764	—	—	322,421
Fund balance, beginning	14,314	—	1,360,368	74,572	991,249	(9,490)	630,296	1,230	2,743,360	—	—	5,805,899
Fund balance, ending	<u>\$ 16,464</u>	<u>\$ —</u>	<u>\$ 1,236,469</u>	<u>\$ 57,226</u>	<u>\$ 1,252,809</u>	<u>\$ (9,237)</u>	<u>\$ 679,085</u>	<u>\$ 1,380</u>	<u>\$ 2,924,124</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,128,320</u>

(Concluded)

See accompanying auditor's report.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Schedule of Compensation Paid
For the Year Ended December 31, 1998

<u>POLICE JUROR/PRESIDENT-COUNCIL MEMBERS</u>	<u>AMOUNT</u>
M.E. "Toye" Taylor, President (under new home-rule charter)	\$ 7,042
Hollis Stafford, III, President (before new home-rule charter)	10,662
Michael Applewhite	9,315
John Brock	9,315
Rodney Brown	9,165
Randall Brumfield	9,315
David Dillon	9,315
Melvin Keith	9,315
Clinton Miley	9,315
Darwin Sharp	9,315
Glenn Sheridan	9,315
James Strickland	9,315
Matthew Tate	9,315
Marvin Thomas	9,315
Kenneth Wheat	<u>9,315</u>
	<u>\$ 138,649</u>

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 1998

<u>FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>EXPENDITURES</u>
<u>United States Department of Agriculture</u>		
<u>Passed through Louisiana</u>		
<u>Department of Education</u>		
Summer Food Service Program for Children	10.559	\$ <u>61,651</u>
Total United States Department of Agriculture		<u>61,651</u>
<u>Department of Housing and Urban Development</u>		
<u>Passed through Louisiana</u>		
<u>Community Development</u>		
Community Development Block Grant	14.219	34,170
<u>Federal Emergency Management Agency</u>		
<u>Passed through Louisiana Office of</u>		
<u>Emergency Preparedness</u>		
Diaster	83.544	<u>19,537</u>
TOTAL FEDERAL AWARDS		<u>\$ 115,358</u>

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Year 2000 Disclosure
For the Year Ended December 31, 1998

Note for updating computers for Y2K.

Management states that "the Washington Parish Government's computer hardware has been budgeted and updated in order for it to be Y2K compliant. We have also budgeted and purchased a new version of SCO Unix, this the financial operating system that we are using, which is Y2K compliant. We have budgeted and are scheduled by Software and Services for the week of July 12, 1999 for them to come in and make the necessary changes in order for our accounting programs to be Y2K compliant."

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 1998

Ref. No.	Description of Findings	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
No current year findings				

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Summary Schedule of Prior-Year Findings
For the Year Ended December 31, 1998

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
97-1	1997	The Parish Government made mandated payments directly to the vendor for the lease of equipment leased by a financially dependent component unit. The execution of a lease agreement sometimes requires advertising for bids and approval to incur debt. If the Parish Government pays this mandated expense directly to the vendor, the auditor of the component unit may not be aware that a lease exists. Accordingly, the Legislative Auditor recommends that the Parish Government maintain proper documentation on mandated expenses that may require price quotes, bids, and/or approval to incur debt.	P a r t i a l l y R e s o l v e d - C o p i e s o f l e a s e s o b t a i n e d , b u t p u r c h a s i n g p o l i c y h a s n o t y e t b e e n a m e n d e d .