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WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

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

Year Ended December 31, 1999

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

Release Date 8-23-00

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, 1999. 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, 1999 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, 1999, 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.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 9, 2000 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.

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. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general-purpose financial statements of 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.



Certified Public Accountant

Bogalusa, Louisiana
June 9, 2000

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	INTERNAL SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
ASSETS AND OTHER DEBITS								
Assets:								
Cash and cash equivalents	\$ 2,048,744	\$ 2,978,241	\$ 190,708	\$	\$			\$ 5,217,693
Investments		168,106						168,106
Receivables	449,653	1,318,088	44,541					1,812,282
Equity in Choctaw Road Landfill		86,279						86,279
Due from other funds Land, buildings, and equipment	295,276	2,102,534			13,040,281			13,040,281
Other debits:								
Amount available in debt service fund						223,478		223,478
Amount to be provided for retirement of general long-term debt						445,174		445,174
Total Assets and Other Debits	\$ 2,793,673	\$ 6,653,248	\$ 235,249	\$	\$ 13,040,281	\$ 668,652		\$ 23,391,103
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 25,867	\$ 156,079	\$	\$				\$ 181,946
Payroll deductions payable	10,640							10,640
Due to other funds	2,102,534	283,505	11,771					2,397,810

(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, 1999

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	INTERNAL SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
Landfill closure and postclosure care costs payable	\$	\$	\$	\$	\$	\$	\$	\$ 393,474
Capital leases payable						68,740		68,740
Compensated absences payable						16,438		16,438
Bonds payable		439,584	11,771			190,000		190,000
Total liabilities	<u>2,139,041</u>	<u>439,584</u>	<u>11,771</u>	<u></u>	<u></u>	<u>668,652</u>	<u></u>	<u>3,259,048</u>
Fund equity:								
Investment in general fixed assets					13,040,281			13,040,281
Fund balances:								
Reserved:								
Economic development	50,000							50,000
Debt service			223,478					223,478
Encumbrances	12,473	23,424						35,897
Unreserved:								
Designated:								
Health insurance	116,401							116,401
Closure and postclosure care costs		393,474						393,474
Construction		600,000						600,000
Undesignated	475,758	5,196,766						5,672,524
Total fund equity	<u>654,632</u>	<u>6,213,664</u>	<u>223,478</u>	<u></u>	<u>13,040,281</u>	<u></u>	<u></u>	<u>20,132,055</u>
Total Liabilities and Fund Equity	<u>\$ 2,793,673</u>	<u>\$ 6,653,248</u>	<u>\$ 235,249</u>	<u>\$</u>	<u>\$ 13,040,281</u>	<u>\$ 668,652</u>	<u>\$</u>	<u>\$ 23,391,103</u>

(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, 1999**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
REVENUES				
Taxes:				
Ad valorem	\$ 235,800	\$ 1,068,689	\$ 41,505	\$ 1,345,994
Sales	6,479	1,730,748		1,737,227
Licenses and permits	142,308			142,308
Intergovernmental revenues:				
Federal funds:				
Federal grants		460,089		460,089
State funds:				
Parish transportation funds		689,106		689,106
State revenue sharing (net)	39,401	163,351		202,752
Other	573,884	114,000		687,884
Fees, charges, etc.	133,545	12,750		146,295
Fines and forfeitures	2,924	166,853		169,777
Interest	875	155,314	6,587	162,776
Other	3,243	80,961		84,204
Total revenues	<u>1,138,459</u>	<u>4,641,861</u>	<u>48,092</u>	<u>5,828,412</u>
EXPENDITURES				
Current:				
General government:				
Legislative	159,161			159,161
Judicial	622,637	128,021		750,658
Executive	140,924			140,924
Elections	119,417			119,417
Finance and administrative	150,579			150,579
Other	29,322	93,360		122,682
Public safety	283,303	117,160		400,463
Health and welfare	45,702	129,163		174,865
Highways and streets		1,661,534		1,661,534
Sanitation		67,911		67,911
Culture and recreation		419,305		419,305
Debt service	3,958	72,813	111,096	187,867
Capital outlay	56,957	512,490		569,447
Total expenditures	<u>1,611,960</u>	<u>3,201,757</u>	<u>111,096</u>	<u>4,924,813</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, 1999

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
Excess (deficiency) of revenue over expenditures	\$ (473,501)	\$ 1,440,104	\$ (63,004)	\$ 903,599
OTHER FINANCING SOURCES (USES)				
Operating transfers in	550,000	542,649		1,092,649
Operating transfers (out)		(1,092,649)		(1,092,649)
Choctaw Road Landfill joint venture income (loss)		(678,249)		(678,249)
Excess sales tax split with other government entities		(132,731)		(132,731)
Sale of fixed assets		6,220		6,220
Total other financing sources (uses)	<u>550,000</u>	<u>(1,354,760)</u>	<u>--</u>	<u>(804,760)</u>
Excess of revenues and other financing sources over expenditures and other uses	76,499	85,344	(63,004)	98,839
Fund balances at beginning of year	461,732	6,128,320	286,482	6,876,534
Residual equity transfer	<u>116,401</u>	<u>--</u>	<u>--</u>	<u>116,401</u>
Fund balances at end of year	<u>\$ 654,632</u>	<u>\$ 6,213,664</u>	<u>\$ 223,478</u>	<u>\$ 7,091,774</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, 1999

	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	\$ 236,395	\$ 235,800	\$ (595)	\$ 1,070,348	\$ 1,068,689	\$ (1,659)	\$ 41,606	\$ 41,505	\$ (101)
Sales	7,300	6,479	(821)	1,835,742	1,730,748	(104,994)			
Licenses and permits	148,692	142,308	(6,384)						
Intergovernmental revenues:									
Federal funds:									
Federal grants				655,436	460,089	(195,347)			
State funds:									
Parish transportation funds				598,600	689,106	90,506			
State revenue sharing (net)	39,402	39,401	(1)	163,367	163,351	(16)			
Other	511,797	573,884	62,087	117,160	114,000	(3,160)			
Fees, charges, etc.	133,631	133,545	(86)	15,275	12,750	(2,525)			
Fines and forfeitures	3,100	2,924	(176)	167,877	166,853	(1,024)			
Interest	3,100	875	(2,225)	103,812	155,314	51,502			
Other	5,900	3,243	(2,657)	79,797	80,961	1,164	5,558	6,587	1,029
Total revenues	<u>1,089,317</u>	<u>1,138,459</u>	<u>49,142</u>	<u>4,807,414</u>	<u>4,641,861</u>	<u>(165,553)</u>	<u>47,164</u>	<u>48,092</u>	<u>928</u>
EXPENDITURES									
Current:									
General government:									
Legislative	150,794	159,161	(8,367)						
Judicial	639,264	622,637	16,627	129,198	128,021	1,177			
Executive	144,611	140,924	3,687						
Elections	56,240	119,417	(63,177)						
Finance and administrative	144,257	150,579	(6,322)						
Other	22,502	29,322	(6,820)	90,394	93,360	(2,966)			
Public safety	287,344	283,303	4,041	117,160	117,160	—			
Health and welfare	45,867	45,702	165	125,444	129,163	(3,719)			
Highways and streets				1,868,859	1,661,534	207,325			

(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, 1999

	General Fund			Special Revenue Funds			Debt Service Fund			Variance- Favorable (Unfavorable)
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	
EXPENDITURES (cont'd)										
Sanitation	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Culture and recreation		3,958	(118)	419,285	419,305	(20)				
Debt service	3,840			72,584	72,813	(229)	109,773	111,096	(1,323)	
Capital outlay	62,848	56,957	5,891	554,537	512,490	42,047				
Total expenditures	<u>1,557,567</u>	<u>1,611,960</u>	<u>(54,393)</u>	<u>3,450,531</u>	<u>3,201,757</u>	<u>248,774</u>	<u>109,773</u>	<u>111,096</u>	<u>(1,323)</u>	
Excess (deficiency) of revenues over expenditures	<u>(468,250)</u>	<u>(473,501)</u>	<u>(5,251)</u>	<u>1,356,883</u>	<u>1,440,104</u>	<u>83,221</u>	<u>(62,609)</u>	<u>(63,004)</u>	<u>(395)</u>	
OTHER FINANCING SOURCES (USES)										
Operating transfers in	550,000	550,000	—	539,489	542,649	3,160				
Operating transfers (out)				(1,089,489)	(1,092,649)	(3,160)				
Choctaw Road Landfill joint venture income (loss)				(710,645)	(678,249)	32,396				
Excess sales tax split with other government entities				(132,731)	(132,731)	—				
Sale of fixed assets				<u>6,221</u>	<u>6,220</u>	<u>(1)</u>				
Total other financing sources (uses)	<u>550,000</u>	<u>550,000</u>	<u>—</u>	<u>(1,387,155)</u>	<u>(1,354,760)</u>	<u>32,395</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	81,750	76,499	(5,251)	(30,272)	85,344	115,616	(62,609)	(63,004)	(395)	
Fund balances at beginning of year	461,732	461,732	—	6,128,320	6,128,320	—	299,322	286,482	(12,840)	
Residual equity transfer	—	116,401	116,401	—	—	—	—	—	—	
Fund balances at end of year	<u>\$ 543,482</u>	<u>\$ 654,632</u>	<u>\$ 111,150</u>	<u>\$ 6,098,048</u>	<u>\$ 6,213,664</u>	<u>\$ 115,616</u>	<u>\$ 236,713</u>	<u>\$ 223,478</u>	<u>\$ (13,235)</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, 1999

	<u>Group Insurance Fund</u>
OPERATING REVENUES	
Interfund insurance premiums	\$ —
Interest income	<u>3,915</u>
Total operating revenues	<u>3,915</u>
OPERATING EXPENSES	
Claims paid	<u>7,133</u>
Total operating expenses	<u>7,133</u>
Net income (loss)	(3,218)
Retained earnings at beginning of year	119,619
Residual equity transfer	<u>(116,401)</u>
Retained earnings at end of year	<u><u>\$ —</u></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, 1999

	<u>Group Insurance Fund</u>
Cash flows from operating activities:	
Net income (loss)	\$ (3,218)
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	6,830
Increase (decrease) in:	
Accounts payable	(73,716)
Interfund payable	<u>(2,285)</u>
Net cash provided (used) in operating activities	<u>(72,389)</u>
 Cash flows from noncapital financing activities:	
Residual equity transfer (out)	<u>(116,401)</u>
Net cash(used) in noncapital financing activities	<u>(116,401)</u>
 Net increase (decrease) in cash	(188,790)
 Cash and cash equivalents at beginning of year	<u>188,790</u>
 Cash and cash equivalents at end of year	<u>\$ —</u>

Note: There was no interest paid in 1999.

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, 1999

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 expired in January, 2000. The title of the 14 existing police jurors changed to council members, and they filled out their terms which also expired in January, 2000. A new council, consisting of 7 members, was then elected to four year terms.

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

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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.

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

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

Fire Protection District No. 5	December 31	1
Fire Protection District No. 6	December 31	1
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
Washington Parish Office of Emergency Preparedness	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.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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 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

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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.
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.

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.

Account Groups

Account groups are used to establish accounting control and accountability for the Parish Government's general fixed assets and general long-term debt. The following are the Parish Government's Account Groups:

1. General Fixed Assets Account Group — Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets consist of land, buildings and improvements, and equipment with an expected useful life of more than one year. Purchases of general fixed assets are recorded as expenditures at the time of purchase. Depreciation is not recorded on general fixed assets.

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

2. General Long-Term Debt Account Group — Long-term liabilities such as unmatured general obligation indebtedness and the long-term portion of compensation absences expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

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.

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.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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 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.

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

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.

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

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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.

Designated Fund Balances

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

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

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 portion described in this part (c) shall be used for economic development];

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

- (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. 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>	

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

3. CASH AND CASH EQUIVALENTS

At December 31, 1999, the Parish Government has cash and cash equivalents (book balances) totaling \$5,217,693; 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, 1999, the Parish Government has \$5,360,886 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$5,935,343 of pledged securities held by a custodial bank in the name of the fiscal agent bank.

4. INVESTMENTS

At December 31, 1999, the Parish Government holds investments of Certificates of Deposit for the Library Fund totaling \$168,106. These investments are secured by pledged securities held by a custodial bank in the name of the fiscal agent bank (GASB Category 3).

5. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>
Taxes:			
Ad valorem	\$ 232,801	\$ 1,067,052	\$ 44,541
State revenue sharing	26,267	108,901	
Intergovernmental-			
State	109,937	134,581	
Local	22,497	7,551	
Other	<u>58,151</u>	<u>3</u>	
Total	<u>\$ 449,653</u>	<u>\$ 1,318,088</u>	<u>\$ 44,541</u>

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

6. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Parish Government:				
Land	\$ 789,649	\$	\$	\$ 789,649
Building	6,217,300			6,217,300
Equipment	<u>2,168,417</u>	<u>85,271</u>		<u>2,253,688</u>
Total Parish Government	<u>9,175,366</u>	<u>85,271</u>		<u>9,260,637</u>
Library:				
Land	42,343			42,343
Building	489,049	27,285		516,334
Furniture & equipment	305,209	22,778		327,987
Books	<u>1,363,099</u>	<u>42,212</u>		<u>1,405,311</u>
Total Library	<u>2,199,700</u>	<u>92,275</u>	<u>—</u>	<u>2,291,975</u>
Landfill	<u>1,037,900</u>	<u>489,977</u>	<u>(40,208)</u>	<u>1,487,669</u>
Total	<u>\$ 12,412,966</u>	<u>\$ 667,523</u>	<u>\$ (40,208)</u>	<u>\$ 13,040,281</u>

7. 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

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

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.

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, 1999, 1998 and 1997 were \$105,678, \$89,725, and \$82,855, respectively, equal to the required contributions for each year.

8. 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

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

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, 1999, determined by the landfill's engineer, was \$677,235. 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.

The estimated liability for closure and postclosure care costs of \$677,235 as of December 31, 1999 has been recorded in the general long-term debt of each participant's separate financial statements section as follows:

Washington Parish Government	58.1%	\$ 393,474
City of Bogalusa	41.9%	<u>283,761</u>
		<u>\$ 677,235</u>

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

9. 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, 1999:

2000	\$ 51,280
2001	18,597
2002	5,878
2003	3,386
2004	<u>3,582</u>
Minimum lease payments	82,723
Less amount representing interest	<u>(13,983)</u>
Present value of minimum lease payments	<u>\$ 68,740</u>

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

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

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

	Amount owed <u>1/1/99</u>	<u>Additions</u>	<u>Retirements</u>	Amount owed <u>12/31/99</u>
General obligation jail bond, series 1991	\$ 285,000	\$	\$ 95,000	\$ 190,000
Capital leases payable	133,912		65,172	68,740
Landfill closure and post-closure care costs	234,504	158,970		393,474
Compensated absences	<u>13,348</u>	<u>3,090</u>		<u>16,438</u>
	<u>\$ 666,764</u>	<u>\$ 162,060</u>	<u>\$ 160,172</u>	<u>\$ 668,652</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>
2000	\$ 95,000	\$ 8,930	\$ 103,930
2001	<u>95,000</u>	<u>2,992</u>	<u>97,992</u>
	<u>\$ 190,000</u>	<u>\$ 11,922</u>	<u>\$ 201,922</u>

11. CHANGE IN HEALTH INSURANCE

Prior to 1999, 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 paid the claims.

WASHINGTON PARISH GOVERNMENT

Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

Beginning January 1, 1999 this partial self-insured plan, which had been accounted for in the Internal Service Fund was terminated, and the employees became insured by an insurance company. Although a few unanticipated claims for 1998 were paid in 1999, no future claims are anticipated. Therefore, the residual funds remaining in the Internal Service Fund of \$116,401 at December 31, 1999 was transferred to the General Fund and designated for health insurance payments.

12. LITIGATION

At December 31, 1999, 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, 1999 no appropriations had been specifically allocated of the payment of this case or any other case.

13. INTERFUND RECEIVABLES/PAYABLES

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

Fund	1999	
	Interfund Receivables	Interfund Payables
General Fund	\$ 295,276	\$ 2,102,534
Special Revenue Funds:		
Tourism Tax	8,532	
Parish Transportation	595,285	
Courthouse Maintenance		73,922
Health Unit Maintenance	218,847	
Criminal Court		5,000
Library		119,175
Special Witness	6,052	
Sales Tax Split Proposition	1,273,818	85,408
Debt Service Fund		11,771
Total	<u>\$ 2,397,810</u>	<u>\$ 2,397,810</u>

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, 1999, and have issued my report thereon dated June 9, 2000, 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 9, 2000

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, 1999

ASSETS	Tourism Tax	Summer Feeding Program	Parish Transportation	Court-house Maintenance	Health Unit Maintenance	Criminal Court	Library	Special Witness	Sales Tax Split Proposition	Governor's Office of Rural Development	Community Development Block Grant	Totals
Cash and cash equivalents	\$	\$	\$ 54,301	\$ 42,852	\$ 1,008,293	\$	\$ 248,393	\$	\$ 1,624,402	\$	\$	\$ 2,978,241
Investments							168,106					168,106
Receivables	3		510,278	93,868	283,519	7,129	420,269	422			2,600	1,318,088
Equity in Choctaw Road Landfill									86,279			86,279
Due from other funds	8,532		595,285		218,847			6,052	1,273,818			2,102,534
Total assets	\$ 8,535	\$	\$ 1,159,864	\$ 136,720	\$ 1,510,659	\$ 7,129	\$ 836,768	\$ 6,474	\$ 2,984,499	\$	\$ 2,600	\$ 6,653,248
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$	\$	\$ 21,430	\$	\$ 147	\$ 92	\$ 1,946	\$ 225	\$ 129,639	\$	\$ 2,600	\$ 156,079
Due to other funds				73,922		5,000	119,175		85,408			283,505
Total liabilities			21,430	73,922	147	5,092	121,121	225	215,047		2,600	439,584
Fund balances:												
Reserve:												
Encumbrances			23,424									23,424
Unreserved:												
Designated - for closure and postclosure care costs for construction												
Undesignated(deficit)	8,535		1,115,010	62,798	1,510,512	2,037	715,647	6,249	1,775,978			393,474
Total fund balances	8,535		1,138,434	62,798	1,510,512	2,037	715,647	6,249	2,769,452			600,000
Total liabilities and fund balances	\$ 8,535	\$	\$ 1,159,864	\$ 136,720	\$ 1,510,659	\$ 7,129	\$ 836,768	\$ 6,474	\$ 2,984,499	\$	\$ 2,600	\$ 6,653,248

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, 1999

	Tourism Tax	Summer Feeding Program	Parish Transportation	Court-house Maintenance	Health Unit Maintenance	Criminal Court	Library	Special Witness	Sales Tax Split Proposition	Governor's Office of Rural Development	Community Development Block Grant	Totals
Revenues:												
Taxes:												
Ad Valorem	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales tax									1,730,748			1,730,748
Intergovernmental revenues:												
Federal grants		56,604										
State funds:												
Parish transportation funds			689,106									689,106
State revenue sharing(net)			52,420	13,074	39,473		58,384			114,000		163,351
Other												114,000
Fees, charges, etc.												12,750
Fines and forfeitures			14,371		35,572	161,339	5,514					166,853
Interest			6,856			75	74,030		87,826			155,314
Other			1,105,401	99,984	333,068	161,414	536,581	12,750	1,818,574	114,000		80,961
Total revenues		<u>56,604</u>	<u>1,105,401</u>	<u>99,984</u>	<u>333,068</u>	<u>161,414</u>	<u>536,581</u>	<u>12,750</u>	<u>1,818,574</u>	<u>114,000</u>	<u>403,485</u>	<u>4,641,861</u>
Expenditures:												
Current:												
General government:												
Judicial						120,140						128,021
Other												93,360
Public safety												117,160
Health and welfare												129,163
Highways and streets		56,604	1,258,049		72,559						403,485	1,661,534
Sanitation												67,911
Culture and recreation												419,305
Debt service												72,813
Capital outlay												512,490
Total expenditures		<u>56,604</u>	<u>1,745,985</u>	<u>94,412</u>	<u>75,365</u>	<u>120,140</u>	<u>500,019</u>	<u>7,881</u>	<u>72,777</u>	<u>117,160</u>	<u>403,485</u>	<u>3,201,757</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, 1999

		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	\$	(7,929)	—	(640,584)	\$ 5,572	\$ 257,703	\$ 41,274	\$ 36,562	\$ 4,869	\$ 1,745,797	\$ (3,160)	\$ —	\$ 1,440,104
Other financing sources (uses):													
Operating transfers in				539,489							3,160		542,649
Operating transfers(out)				(3,160)						(1,089,489)			(1,092,649)
Choctaw Road Landfill joint venture income (loss)										(678,249)			(678,249)
Excess sales tax split with other government entities										(132,731)			(132,731)
Sale of fixed assets				6,220									6,220
Total other financing sources (uses)				542,549						(1,900,469)	3,160		(1,354,760)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses		(7,929)		(98,035)	5,572	257,703	41,274	36,562	4,869	(154,672)			85,344
Fund balance, beginning		16,464		1,236,469	57,226	1,252,809	(39,237)	679,085	1,380	2,924,124			6,128,320
Fund balance, ending	\$	<u>8,535</u>		<u>\$1,138,434</u>	<u>\$ 62,798</u>	<u>\$ 1,510,512</u>	<u>\$ 2,037</u>	<u>\$ 715,647</u>	<u>\$ 6,249</u>	<u>\$ 2,769,452</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,213,664</u>

(Concluded)

See accompanying auditor's report.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Schedule of Compensation Paid
For the Year Ended December 31, 1999

<u>POLICE JUROR/PRESIDENT-COUNCIL MEMBERS</u>	<u>AMOUNT</u>
M.E. "Toye" Taylor, Parish President	\$ 65,000
Hollis Stafford, III	10,938
Michael Applewhite	9,885
John Brock	9,885
Rodney Brown	10,035
Randall Brumfield	9,885
David Dillon	9,885
Melvin Keith	9,885
Clinton Miley	9,885
Darwin Sharp	9,885
Glenn Sheridan	9,885
James Strickland	9,885
Matthew Tate	9,885
Marvin Thomas	9,885
Kenneth Wheat	<u>9,885</u>
	<u>\$ 204,593</u>

See accompanying auditor's report.

***AUDIT REPORTS REQUIRED BY
SINGLE AUDIT ACT***

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 1999

<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>56,604</u>
Total United States Department of Agriculture		<u>56,604</u>
<u>Department of Housing and Urban Development</u>		
<u>Passed through Louisiana</u>		
<u>Community Development</u>		
Community Development Block Grant	14.219	<u>403,485</u>
 TOTAL FEDERAL AWARDS		 <u>\$ 460,089</u>

See accompanying auditor's report.

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Washington Parish Government
Franklinton, Louisiana

Compliance

I have audited the compliance of the Washington Parish Government with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The Washington Parish Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Washington Parish Government's management. My responsibility is to express an opinion on the Washington Parish Government's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Washington Parish Government's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Washington Parish Government's compliance with those requirements.

In my opinion, the Washington Parish Government complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the Washington Parish Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Washington Parish Government's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 compliance 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 9, 2000

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Schedule of Findings
For the Year Ended December 31, 1999

I have audited the financial statements of the Washington Parish Government as of and for the year ended December 31, 1999, and have issued my report thereon dated June 9, 2000. 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. My audit of the financial statements as of December 31, 1999 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weakness Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material weakness Yes No Reportable Conditions Yes No

Type of Opinion on Compliance
For Major Programs

Unqualified
Disclaimer

Qualified
Adverse

Are their findings required to be reported in accordance with Circular A-133,
Section .510(a)?

Yes No

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Schedule of Findings
For the Year Ended December 31, 1999

Section I Summary of Auditor's Reports(Continued)

c. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
14.219	Community Development Block Grant

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

\$ 300,000

Is the auditee a 'low-risk' auditee, as defined
by OMB Circular A-133?

[] Yes [X] No

Section II Financial Statement Findings

There were no current year findings.

Section III Federal Award Findings

There were no current year findings.

WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana

Summary Schedule of Prior-Year Findings
For the Year Ended December 31, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
97-1	1997	<p>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>	<p>Resolved - on November 29, 1999 the Washington Parish Council adopted ordinance number 99-224 which states that the purchasing section of the policy and procedures manual be amended to remove the \$5,000 limitation previously set and that LA R.S. 38:2212 be incorporated into the purchasing section of the Policy and Procedures Manual. Managements position is that it will obtain the necessary documentation of mandated expenses.</p>