

WASHINGTON PARISH GOVERNMENT

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2015

WASHINGTON PARISH GOVERNMENT

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INDEPENDENT AUDITORS' REPORT

Washington Parish Government
Franklinton, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Parish Government (the Parish), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Parish's primary government as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Parish as of December 31, 2015, or the changes in financial position thereof for the year then ended.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Parish as of December 31, 2015, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Parish as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information on pages 4 through 14 and 60 through 68, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements is required by the *Government Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited

procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated June 10, 2016, on our consideration of the Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish's internal control over financial reporting and compliance.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 10, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

As management of the Washington Parish Government, we offer readers of Washington Parish Government's financial statements this narrative overview and analysis of the financial activities of the Washington Parish Government for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

FINANCIAL HIGHLIGHTS

- The assets of the Washington Parish Government exceeded its liabilities at the close of the most recent fiscal year by \$47,868,975 (net position). Of this amount, \$2,281,968 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Washington Parish Government's total net position increased \$1,817,678 due to various capital projects. Hurricane Katrina Hazard Mitigation Grant Project for window hardening at Washington Parish Courthouse and Administration Building was placed in service during the year resulting in expenditures of \$322,720. The Varnado Water Works District was awarded \$800,000 through the Louisiana Community Development Block Grant Program (LCDBG) to design and construct a new 500 gpn potable water well in the northwest portion of the Parish, on Mitch Road. The contract was awarded to Griner Drilling Service for \$736,000. Construction was completed in November 2015 for the contract price. The water well asset and maintenance will be transferred to Varnado Water Works District through a Cooperative Endeavor Agreement. The WPDPW road crews blacktopped 33.14 miles of Parish roads during 2015, of which 19.39 were previously gravel roads, at a cost of \$868,935.
- In January, 2014, Washington Parish Government began collecting a .33% sales tax, collected Parish wide, with the exception of the city limits of the Town of Franklinton, dedicated to funding the Parish's statutorily required cost of operating the criminal justice system. This tax generated \$1,333,373 in revenues for the calendar year 2015 and funded the Parish's obligation for the offices of the District Attorney, District Judges and the operation of the Parish Jail.
- Beginning January 1, 2015, Washington Parish Government assumed management and fiscal responsibility of the Housing Authority of Washington Parish. The Housing Authority is a Section 8 Housing Choice voucher program, formed by the Washington Parish Police Jury in the 1980's. It has operated independently of Parish Government until recently. Washington Parish Government contracted with Tangipahoa Parish Housing Authority for management services of the program.
- At the close of the current fiscal year, the Washington Parish Government's funds reported combined fund balances of \$10,933,628, an increase of \$1,452,959 in comparison with the prior year. The majority of this amount is restricted for specific purposes.
- At the end of the current fiscal year, unrestricted fund balance (total *unassigned* components of *fund balance*) for the general fund was \$648,431, or 26% of total general fund expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

- The Washington Parish Government's total outstanding long-term debt decreased by \$1,415,000 during the current fiscal year, due to principal payments made during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Position* presents financial information on all of the Washington Parish Government's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Washington Parish Government is improving or deteriorating.

The *Statement of Activities* presents information showing how the Washington Parish Government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Washington Parish Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Washington Parish Government can be divided into two categories: governmental funds and proprietary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Washington Parish Government maintains seven major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for all major funds. Data from the other fifteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Nonmajor Governmental Funds section, under OTHER SUPPLEMENTAL INFORMATION, of this report.

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

The basic governmental fund financial statements can be found on pages 18-24 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-58 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplemental information* concerning the Washington Parish Government's budgetary comparison information. Required supplemental information can be found on pages 60-68 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information. Combining fund statements and schedules can be found on pages 73-80 of this report.

WASHINGTON PARISH GOVERNMENT'S NET POSITION

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

TABLE A-I

	Governmental Activities		Business-Type Activities		Totals	
	2014	2015	2014	2015	2014	2015
Current assets	\$ 13,926,200	\$ 15,074,759	\$ 196,258	\$ 254,061	\$ 14,122,458	\$ 15,328,820
Capital Assets	39,100,282	38,290,304	-	1,539	39,100,282	38,291,843
TOTAL ASSETS	53,026,482	53,365,063	196,258	255,600	53,222,740	53,620,663
DEFERRED OUTFLOWS OF RESOURCES:	-	714,769	-	-	-	714,769
Current Liabilities	3,284,649	3,879,299	-	29,073	3,284,649	3,908,372
Non-current liabilities	4,539,830	2,494,892	-	-	4,539,830	2,494,892
TOTAL LIABILITIES	7,824,479	6,374,191	-	29,073	7,824,479	6,403,264
DEFERRED INFLOWS OF RESOURCES:	-	63,193	-	-	-	63,193
Net invested in capital assets	34,644,356	35,259,109	-	-	34,644,356	35,259,109
Restricted:						
Capital Projects	943,395	903,667	-	-	943,395	903,667
Health & Welfare	815,825	947,374	-	12,979	815,825	960,353
Solid waste disposal	1,629,015	1,714,073	-	-	1,629,015	1,714,073
Debt service	1,305,675	1,557,083	-	-	1,305,675	1,557,083
Highways & bridges	2,852,781	3,330,668	-	-	2,852,781	3,330,668
Other purposes	1,622,228	1,862,054	-	-	1,622,228	1,862,054
Unrestricted net position	1,388,728	2,068,420	196,258	213,548	1,584,986	2,281,968
TOTAL NET POSITION	\$ 45,202,003	\$ 47,642,448	\$ 196,258	\$ 226,527	\$ 45,398,261	\$ 47,868,975

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2015

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Washington Parish Government, assets and deferred outflows of resources exceeded liabilities by \$47,868,975, at the close of the most recent fiscal year.

The General Fund incurred an excess of revenues and other financing sources over expenditures and other financing uses of \$142,610, resulting in an ending fund balance of \$648,431. The passage of a .33% sales tax in 2013, with collections beginning in January 2014, dedicated to funding the Parish's statutorily required cost of maintaining the criminal justice system, has contributed to the improved fund balance in the General Fund.

By far, the largest portion of the Washington Parish Government's net position (74%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, roads, bridges and other infrastructure), less any related outstanding debt that was used to acquire those assets. The Washington Parish Government uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Washington Parish Government's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Washington Parish Government's net position (22%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,281,968 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Washington Parish Government is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The Washington Parish Government's overall net position increased \$1,817,678 from the prior year. This is due to several factors: The Parish Department of Public Works road crews blacktopped 33.14 miles of Parish roads during 2015, of which, 19.39 miles were previously gravel roads and 13.75 miles were blacktop surface that had deteriorated. Total cost incurred during the year ended December 31, 2015 of \$868,935 was funded by sales and property taxes dedicated to road maintenance and construction, (2) Washington Parish experienced a 3% growth in sales tax collections for the calendar year, (3) Ad Valorem Taxes increased 1% from the prior year due to new construction and renovations added to the tax roll and (4) Collections from the .33% sales tax, funding the cost of maintaining the criminal justice system, increased 8%, generating revenues of \$1,333,373.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the Year Ended December 31, 2015

CHANGES IN NET POSITION

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

TABLE A-2

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
REVENUES						
Program revenues						
Charges for services	\$ 747,171	\$ 628,551	\$ -	\$ -	\$ 747,171	\$ 628,551
Operating Grants & Contributions	1,509,606	1,353,272	-	502,175	1,509,606	1,855,447
Capital Grants & Contributions	940,884	683,903	-	-	940,884	683,903
General revenues:						
Property taxes	4,740,357	4,731,228	-	-	4,740,357	4,731,228
Sales taxes	6,238,502	6,430,682	-	-	6,238,502	6,430,682
Other taxes	16,838	17,519	-	-	16,838	17,519
Other	1,116,315	1,251,854	3,907	3,964	1,120,222	1,255,818
TOTAL REVENUES	15,309,673	15,097,009	3,907	506,139	15,313,580	15,603,148
EXPENSES						
General Government	3,943,059	3,825,467	-	-	3,943,059	3,825,467
Public Safety	1,167,749	1,194,309	-	-	1,167,749	1,194,309
Highway & streets	4,298,021	5,810,076	-	-	4,298,021	5,810,076
Health & welfare	596,346	626,248	-	-	596,346	626,248
Culture & recreation	972,826	838,735	-	-	972,826	838,735
Sanitation	618,377	708,886	-	-	618,377	708,886
Hurricane relief & restoration	315,188	207,124	-	-	315,188	207,124
Interest on long-term debt	171,735	53,835	-	-	171,735	53,835
Housing authority	-	-	-	520,790	-	520,790
TOTAL EXPENSES	12,083,301	13,264,680	-	520,790	12,083,301	13,785,470
CHANGE IN NET POSITION	3,226,372	1,832,329	3,907	(14,651)	3,230,279	1,817,678
NET POSITION – BEGINNING (originally stated)	41,975,631	45,202,003	192,351	241,178	42,167,982	45,443,181
Prior period adjustment	-	608,116	-	-	-	608,116
NET POSITION – BEGINNING (restated)	41,975,631	45,810,119	192,351	241,178	42,167,982	46,051,297
NET POSITION – ENDING	\$ 45,202,003	\$ 47,642,448	\$ 196,258	\$ 226,527	\$ 45,398,261	\$ 47,868,975

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

CHANGES IN NET POSITION - CONTINUED

Expenditure categories of each of Washington Parish Governments seven largest programs, described as - (1) General government includes the funding of the legislative, executive and the administrative office of the Parish government, building permit office operations, community services along with the funding of the following state mandated expenses: Court System (Judges, District Attorney, Court Reporters, Jurors and Witnesses), Justice of the Peace, Clerk of Court, Registrar of Voters, Assessor, (2) Highways and streets including both routine maintenance and capital projects for roads, drainage, bridges and road related equipment, (3) Public safety including state mandated expenses for the Sheriff along with those pertaining to the Parish jail and expenditures pertaining to Constables and 4th Ward Marshall, (4) Health and welfare including funding of the administrative and operational expense of both Health Unit facilities in Bogalusa and Franklinton, and state mandated expenses for the Coroner's office, (5) Culture and recreation including the administrative and operational expenses of both main branches and all smaller branches (located in various areas of the Parish) of the Library and the purchase, pre-construction and maintenance of the Recreation District #1, (6) Sanitation costs relating to the construction and operation of the landfill, (7) Hurricane relief and restoration expenditures relating to Hurricanes Katrina, Gustav, Isaac and Ike, and (8) Costs related to the Washington Parish Housing Authority.

In addition, the Parish experienced an increase in Net Position of approximately \$608,000 due to the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" & GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68".

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

At December 31, 2015, the Washington Parish Government's governmental funds reported combined fund balances of \$10,933,628, an increase of \$1,452,959 in comparison with the prior year. The unassigned portion of the fund balance is \$648,431 of the total balance. The remainder of the fund balance of \$10,285,197 is restricted for particular purposes. See Note 14 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

**TABLE A-3
WASHINGTON PARISH GOVERNMENT FUND BALANCES**

FUND NAME	FUND BALANCE		% OF TOTAL	
	2014	2015	2014	2015
General Fund	\$ 505,821	\$ 648,431	.0533	.0593
Parish Transportation	2,769,975	3,246,774	.2922	.2970
Sales Tax Split .67%	458,564	680,644	.0484	.0622
Criminal Justice Sales Tax	4,725	53,934	.0005	.0049
Road Improvement	55,780	113,612	.0059	.0104
Debt Service – 032	1,305,655	1,557,063	.1377	.1424
Courthouse Maintenance	66,020	66,020	.0069	.0060
Health Unit Maintenance	797,599	928,909	.0841	.0850
Criminal Court	(214,532)	-	(.0226)	.0000
Library	1,697,897	1,712,738	.1791	.1566
Special Witness	30,183	34,725	.0032	.0032
Sales Tax Split 1%	1,380,229	1,403,960	.1456	.1284
General Obligation Bonds	20	20	.0000	.0000
Hurricane Katrina	475,517	338,495	.0502	.0310
Hurricane Isaac	14,313	10,813	.0015	.0010
Criminal Jury Fund	-	260	.0000	.0000
Homeland Security & OEP	9,667	15,145	.0010	.0014
LCDBG Roads	10	10	.0000	.0000
LCDBG	112	134	.0000	.0000
Recreation District # 1	123,114	121,941	.0130	.0112
TOTAL	\$ 9,480,669	\$ 10,933,628	1.0000	1.0000

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget.

The 2015 Budget was prepared anticipating slightly increasing revenues. Sales tax revenues were based upon an increase from 2014 of 5% and Ad Valorem tax revenues were projected at a 7% increase. The newly created Enterprise Fund, established to account for the Washington Parish Housing Authority Section 8 Housing Choice Voucher program activities, operating budget was added when other fund budgets were amended. There were no significant reasons to amend the budget, however, it was amended to facilitate minor line item fluctuations.

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

GENERAL FUND BUDGETARY HIGHLIGHTS - CONTINUED

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

- Ad Valorem taxes were \$131,225, 3% more than expected.
- Parish Transportation funds received from the State of Louisiana were \$97,694, 18.6% more than expected. Sales tax collections from the Criminal Justice sales tax (.33%), Landfill sales tax (.67%), and Roads (1%) were \$ 84,279, (1.76%) less than expected.
- Overall, expenditures were 2.35% less than expected and there were no significant variances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Washington Parish Government's investment in capital assets for its governmental activities as of December 31, 2015, amounts to \$74,249,069. This investment in capital assets includes land, buildings, equipment, vehicles, roads, bridges and culverts. The total increase in capital assets for the current fiscal year was approximately 1%.

TABLE A-4
WASHINGTON PARISH GOVERNMENT'S CAPITAL ASSETS

	2014	2015	Total Change 2014-2015
Capital Assets Not Being Depreciated:			
Land	\$ 2,535,169	\$ 2,513,741	\$ (21,428)
Construction-in-progress	458,085	434,154	(23,931)
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	2,993,254	2,947,895	(45,359)
Other Capital Assets:			
Buildings	10,782,212	11,369,944	587,732
Equipment	6,704,502	6,324,813	(379,689)
Books	1,391,013	1,391,013	-
Asphalt roads	20,989,059	20,989,059	-
3-shot roads	7,152,416	8,021,351	868,935
Bridges and culverts	23,204,994	23,204,994	-
TOTAL OTHER CAPITAL ASSETS	70,224,196	71,301,174	1,076,978
TOTAL CAPITAL ASSETS	\$ 73,217,450	\$ 74,249,069	\$ 1,031,619

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION - CONTINUED

There was a net increase in capital assets in the amount of \$1,031,619 for the year ended December 31, 2015. Major capital asset events during the current fiscal year included the following:

- Blacktop (2 or 3 shot) surfacing of 13.75 miles of zipped up blacktop roads and 19.39 miles of gravel roads at a cost of \$868,935
- Window retrofit of the Parish Government Administration Building and Courthouse was completed at a cost of \$322,720, funded by FEMA Hazard Mitigation Grant Program Funding.

Additional information on the Washington Parish Government's capital assets can be found in Note 8 on pages 45-46 of this report.

LONG TERM DEBT

At year-end, the Washington Parish Government had \$3,010,000 in bonds outstanding which was a decrease of 32% over last year as shown in table A-5. More information about the Washington Parish Government's long-term liabilities is provided in Notes 11 and 12 pages 47-48 of this report.

TABLE A-5
WASHINGTON PARISH GOVERNMENT'S BONDS PAYABLE

	Balance <u>12-31-14</u>	Balance <u>12-31-15</u>
Road Improvement Revenue Bonds, Series 2006	\$ <u>4,425,000</u>	\$ <u>3,010,000</u>
TOTAL	\$ <u>4,425,000</u>	\$ <u>3,010,000</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

For the year ended December 31, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All funds of the Washington Parish Government were budgeted based on the revenues and expenditures of 2015.

- Sales tax revenues were budgeted on 2015 projected actual which indicates an increase of 13% over 2014 revenues.
- Ad Valorem taxes were budgeted based on 2015 actual revenues with zero increase projected. 2016 is a reassessment year, however, it is too early to reasonably estimate the impact on potential revenues.
- Hospitalization insurance premiums increased 4%, the first increase in 4 years.
- Parochial Employees Retirement System rate decreased from 14.5% to 13.0% for 2016.

The Parish has budgeted conservatively for 2016, continuing to cut expenditures where possible. Given any unforeseen emergency situations, management expects a continued slight increase in the ending Fund Balance of the General Fund.

REQUESTS FOR INFORMATION

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

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

WASHINGTON PARISH GOVERNMENT
STATEMENT OF NET POSITION
December 31, 2015

	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 3,975,044	\$ 220,076	\$ 4,195,120
Investments	2,969,821	-	2,969,821
Receivables	5,566,583	-	5,566,583
FEMA receivable	62,812	-	62,812
Notes receivable	-	33,985	33,985
Due from other governments	73,510	-	73,510
Equity in Choctaw Road Landfill	1,523,456	-	1,523,456
Restricted other assets	903,533	-	903,533
Capital assets:			
Land	2,513,741	-	2,513,741
Construction in progress	434,154	-	434,154
Other capital assets, net of depreciation	35,342,409	1,539	35,343,948
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	53,365,063	255,600	53,620,663
DEFERRED OUTFLOWS OF RESOURCES			
Changes in proportion and differences between contributions and proportionate share of contributions	291,797	-	291,797
Contributions subsequent to the measurement date	422,972	-	422,972
	<hr/>	<hr/>	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	714,769	-	714,769
LIABILITIES			
Accounts payable	684,647	67	684,714
Advanced revenue	853,311	-	853,311
Due to FEMA	16,418	-	16,418
Due to other governments	735,348	29,006	764,354
OPEB liability	819,356	-	819,356
Net Pension Liability	140,536	-	140,536
Long-term liabilities			
Portion due within one year	1,589,575	-	1,589,575
Portion due after one year	1,535,000	-	1,535,000
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	6,374,191	29,073	6,403,264
DEFERRED INFLOWS OF RESOURCES			
Changes in proportion and differences between contributions and proportionate share of contributions	719	-	719
Differences between expected and actual experience	62,474	-	62,474
	<hr/>	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	63,193	-	63,193
NET POSITION			
Net investment in capital assets	35,259,109	-	35,259,109
Restricted for:			
Capital projects	903,667	-	903,667
Health and welfare	947,374	12,979	960,353
Solid waste disposal	1,714,073	-	1,714,073
Debt service	1,557,083	-	1,557,083
Highways and bridges	3,330,668	-	3,330,668
Other purposes	1,862,054	-	1,862,054
Unrestricted	2,068,420	213,548	2,281,968
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 47,642,448	\$ 226,527	\$ 47,868,975

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue & Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities:							
General Government	\$ 3,825,467	\$ 623,137	\$ 370,996	-	\$ (2,831,334)	\$ -	\$ (2,831,334)
Public Safety	1,194,309	-	-	392,892	(801,417)	-	(801,417)
Highways and Streets	5,810,076	-	643,767	291,011	(4,875,298)	-	(4,875,298)
Health and Welfare	626,248	-	235,939	-	(390,309)	-	(390,309)
Culture and Recreation	838,735	5,414	49,221	-	(784,100)	-	(784,100)
Sanitation	708,886	-	-	-	(708,886)	-	(708,886)
Hurricane relief and restoration	207,124	-	53,349	-	(153,775)	-	(153,775)
Interest on long-term debt	53,835	-	-	-	(53,835)	-	(53,835)
Total	<u>13,264,680</u>	<u>628,551</u>	<u>1,353,272</u>	<u>683,903</u>	<u>(10,598,954)</u>	<u>-</u>	<u>(10,598,954)</u>
Business-type Activities:							
Housing Authority	520,790	-	502,175	-	-	(18,615)	(18,615)
Total business-type activities	<u>520,790</u>	<u>-</u>	<u>502,175</u>	<u>-</u>	<u>-</u>	<u>(18,615)</u>	<u>(18,615)</u>
Total Primary Government	<u>\$ 13,785,470</u>	<u>\$ 628,551</u>	<u>\$ 1,855,447</u>	<u>\$ 683,903</u>	<u>(10,598,954)</u>	<u>(18,615)</u>	<u>(10,617,569)</u>
General Revenues:							
Property taxes, levied for general purpose					4,731,228	-	4,731,228
Sales taxes					6,430,682	-	6,430,682
State revenue sharing					254,110	-	254,110
Timber severance					209,645	-	209,645
Mineral severance					7,519	-	7,519
Other tax					17,519	-	17,519
Fire insurance rebate					210,705	-	210,705
Licenses and permits					523,897	-	523,897
Unrestricted interest					11,576	2,749	14,325
Loss on disposal					(17,579)	-	(17,579)
Pension contributions from non-employer contributing entities					36,686	-	36,686
Miscellaneous					15,295	1,215	16,510
Total general revenues					<u>12,431,283</u>	<u>3,964</u>	<u>12,435,247</u>
Change in net position					1,832,329	(14,651)	1,817,678
Net position-beginning (originally stated)					45,202,003	241,178	45,443,181
Prior period adjustment					608,116	-	608,116
Net position-beginning (restated)					<u>45,810,119</u>	<u>241,178</u>	<u>46,051,297</u>
Net position-ending					<u>\$ 47,642,448</u>	<u>\$ 226,527</u>	<u>\$ 47,868,975</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

WASHINGTON PARISH GOVERNMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Criminal Justice Sales Tax	Parish Transportation Fund	Sales Tax Split .67%	HMGP Grant Fund	Debt Service PTF Revenue Bonds	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash	\$ 2,869,284	\$ -	\$ -	\$ -	\$ 855,620	\$ -	\$ 123,821	\$ 126,319	\$ 3,975,044
Investments	-	-	79,116	-	-	1,185,520	305,539	1,399,646	2,969,821
Receivables	674,640	132,621	2,653,758	183,461	-	168,289	800,588	800,240	5,413,597
FEMA Receivable	-	-	-	-	-	-	-	62,812	62,812
Net investment in joint venture	-	-	-	828,522	-	-	-	-	828,522
Due from other funds	-	47,259	594,105	545,615	-	203,254	533,428	965,137	2,888,798
Due from other governmental units	39,071	-	-	-	19,641	-	-	14,798	73,510
TOTAL ASSETS	\$ 3,582,995	\$ 179,880	\$ 3,326,979	\$ 1,557,598	\$ 875,261	\$ 1,557,063	\$ 1,763,376	\$ 3,368,952	\$ 16,212,104
LIABILITIES									
Accounts payable	\$ 260,812	\$ 125,946	\$ 36,642	\$ 144,000	\$ 21,950	\$ -	\$ 12,787	\$ 82,510	\$ 684,647
Advanced revenue	-	-	-	-	853,311	-	-	-	853,311
Due to other funds	2,661,166	-	-	-	-	-	-	227,632	2,888,798
Compensated absences	12,586	-	43,563	-	-	-	31,277	5,954	93,380
Due to FEMA	-	-	-	-	-	-	-	16,418	16,418
Due to other governmental units	-	-	-	732,954	-	-	-	2,394	735,348
TOTAL LIABILITIES	2,934,564	125,946	80,205	876,954	875,261	-	44,064	334,908	5,271,902

WASHINGTON PARISH GOVERNMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Criminal Justice Sales Tax	Parish Transportation Fund	Sales Tax Split .67%	HMGP Grant Fund	Debt Service PTF Revenue Bonds	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
Unavailable revenue	-	-	-	-	-	-	6,574	-	6,574
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	6,574	-	6,574
FUND BALANCES									
Nonspendable:									
Not in spendable form	-	-	-	-	-	-	6,574	-	6,574
Restricted	-	53,934	3,246,774	680,644	-	1,557,063	1,706,164	3,034,044	10,278,623
Unassigned	648,431	-	-	-	-	-	-	-	648,431
TOTAL FUND BALANCES	648,431	53,934	3,246,774	680,644	-	1,557,063	1,712,738	3,034,044	10,933,628
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,582,995	\$ 179,880	\$ 3,326,979	\$ 1,557,598	\$ 875,261	\$ 1,557,063	\$ 1,763,376	\$ 3,368,952	\$ 16,212,104

WASHINGTON PARISH GOVERNMENT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2015

Total fund balances reported on the Balance Sheet of Governmental Funds	\$ 10,933,628
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	38,290,304
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Other assets not available for current resources.	1,056,519
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Other liabilities not due and payable in the current period.	(819,356)
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The portion of an equity interest in a joint venture that consists of capital assets and long-term debt in governmental activities are not reported in the funds.	694,934
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Other long-term assets are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds.	6,574
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Long-term liabilities, including bonds payable, which are not due and payable in the current period and therefore are not reported in the funds.	(3,031,195)
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In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to the pension plans, deferred outflows of resources and deferred inflows of resources are not recorded in governmental funds

Net pension liability	(140,536)
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Deferred outflows of resources:

Change in proportion	291,797
Contributions subsequent to the measurement date	422,972

Deferred inflows of resources:

Differences between expected and actual experience	(62,474)
Change in proportions	<u>(719)</u>

Total net position of governmental activities	<u>\$ 47,642,448</u>
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WASHINGTON PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General Fund	Criminal Justice Sales Tax	Parish Transportation Fund	Sales Tax Split. 67	HMGP Grant Fund	Debt Service PTF Revenue Bonds	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Taxes									
Ad valorem	\$ 512,529	\$ -	\$ 2,511,938	\$ -	\$ -	\$ -	\$ 817,776	\$ 735,999	\$ 4,578,242
Sales	-	1,333,373	1,513,123	1,869,225	-	1,714,961	-	-	6,430,682
Other	11,453	-	6,066	-	-	-	-	-	17,519
Licenses and permits	523,897	-	-	-	-	-	-	-	523,897
Intergovernmental federal funds									
Federal grants	220,899	-	-	-	278,561	-	-	514,689	1,014,149
FEMA reimbursement	-	-	-	-	-	-	-	53,349	53,349
State funds									
Parish transportation funds	-	-	622,694	-	-	-	-	-	622,694
State revenue sharing	39,237	-	49,698	-	-	-	55,355	109,820	254,110
Other	660,291	-	-	-	-	-	36,397	9,676	706,364
Fees, charges, etc.	404,283	-	-	-	-	-	20,218	55,281	479,782
Fines and penalties	-	-	-	-	-	-	4,185	143,355	147,540
Interest income	5,031	563	19,868	4,014	-	817	12,824	35,371	78,488
Investment earnings	-	-	-	-	-	-	-	2,805	2,805
Other	6,000	1,817	4,623	-	-	-	1,715	1,140	15,295
TOTAL REVENUES	2,383,620	1,335,753	4,728,010	1,873,239	278,561	1,715,778	948,470	1,661,485	14,924,916
EXPENDITURES									
Current									
General government									
Legislative	216,779	-	-	-	-	-	-	-	216,779
Judicial	250,762	786,123	-	-	-	-	-	420,098	1,456,983
Executive	238,663	-	-	-	-	-	-	-	238,663
Elections	176,208	-	10,386	-	-	-	10,386	20,772	217,752
Finance and administrative	511,491	18,397	272,013	71,205	-	25,554	36,300	49,370	984,330
Other	560,134	-	-	-	-	-	-	-	560,134
Public Safety	261,627	482,024	-	-	-	-	-	183,971	927,622
Health and welfare	139,428	-	-	-	-	-	-	430,567	569,995
Highway and streets	-	-	2,978,312	-	-	-	-	-	2,978,312
Culture and recreation	29,618	-	-	-	-	-	841,476	-	874,636
Hurricane relief and restoration	-	-	-	-	7,891	-	-	199,233	207,124

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General Fund	Criminal Justice Sales Tax	Parish Transportation Fund	Sales Tax Split. 67	HMGF Grant Fund	Debt Service PTF Revenue Bonds	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
Debt service									
Principal Interest	-	-	-	-	-	1,375,250	-	-	1,375,250
Capital outlay	69,198	-	27,500	-	270,670	63,566	45,467	1,511,022	1,923,857
TOTAL EXPENDITURES	2,453,908	1,286,544	3,288,211	71,205	278,561	1,464,370	933,629	2,818,575	12,595,003
Excess (deficiency) of revenues over expenditures	(70,288)	49,209	1,439,799	1,802,034	-	251,408	14,841	(1,157,090)	2,329,913
OTHER FINANCING SOURCES (USES)									
Operating transfers in	576,000	-	127,000	-	-	-	-	1,453,102	2,156,102
Operating transfers (out)	(363,102)	-	(1,090,000)	(703,000)	-	-	-	-	(2,156,102)
Increase (decrease) in equity in joint ventures	-	-	-	(732,954)	-	-	-	-	(732,954)
Excess sales tax split with other government entities	-	-	-	(144,000)	-	-	-	-	(144,000)
Total other financing sources (uses)	212,898	-	(963,000)	(1,579,954)	-	-	-	1,453,102	(876,954)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	142,610	49,209	476,799	222,080	-	251,408	14,841	296,012	1,452,959
Fund balances, beginning	505,821	4,725	2,769,975	458,564	-	1,305,655	1,697,897	2,738,032	9,480,669
Fund balances, ending	\$ 648,431	\$ 53,934	\$ 3,246,774	\$ 680,644	\$ -	\$ 1,557,063	\$ 1,712,738	\$ 3,034,044	\$ 10,933,628

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net change in fund balances – total governmental funds \$ 1,452,959

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

Other revenues not available as current resources. 152,986

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,475,152) exceeded capital outlay (\$1,665,174) in the current period. (809,978)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,415,000

Increase in post employment benefits obligation is reported in the statement of activities but does not require the use of current resources and is not reported as an expenditure in governmental funds. (97,813)

Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds. 6,574

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

Net change in pension expense	133,762
Contributions from non-employer contributing entities	(36,686)

Some expenses reported in the statement of activities do not require the use of current financial sources and therefore are not reported as expenditures in the governmental funds. (384,475)

Change in net position of governmental activities \$ 1,832,329

WASHINGTON PARISH GOVERNMENT
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
December 31, 2015

ASSETS

	Housing Authority of Washington Parish	USDA Revolving Loan Fund	Totals Enterprise Funds
CURRENT ASSETS			
Cash	\$ 55,054	\$ 165,022	\$ 220,076
Note Receivable			
Breedlove Farm, L.L.C.	-	872,188	872,188
Smith Creamery, L.L.C.	-	33,985	33,985
	-	906,173	906,173
TOTAL NOTES RECEIVABLE	-	906,173	906,173
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	-	(872,188)	(872,188)
NET NOTES RECEIVABLE	-	33,985	33,985
PROPERTY AND EQUIPMENT			
Property Plant & Equipment	2,411	-	2,411
Less Accumulated Depreciation	(872)	-	(872)
	1,539	-	1,539
TOTAL PROPERTY AND EQUIPMENT, NET	1,539	-	1,539
TOTAL ASSETS	\$ 56,593	\$ 199,007	\$ 255,600

LIABILITIES AND NET POSITION

CURRENT LIABILITIES			
Accounts Payable	\$ 67	\$ -	\$ 67
HUD Liability	29,006	-	29,006
	29,073	-	29,073
TOTAL LIABILITIES	29,073	-	29,073
NET POSITION			
Restricted	12,979	-	12,979
Unrestricted	14,541	199,007	213,548
	27,520	199,007	226,527
TOTAL NET POSITION	27,520	199,007	226,527
TOTAL LIABILITIES AND NET POSITION	\$ 56,593	\$ 199,007	\$ 255,600

WASHINGTON PARISH GOVERNMENT
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN FUND NET POSITION - ENTERPRISE FUND
For the Year Ended December 31, 2015

	Housing Authority of Washington Parish	USDA Revolving Loan Fund	Totals Enterprise Funds
OPERATING REVENUES			
HUD Operating Grants	\$ 439,796	\$ -	\$ 439,796
Administrative Fee	62,027	-	62,027
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	501,823	-	501,823
OPERATING EXPENSES			
Housing Assistance Payments	427,394	-	427,394
Utility Assistance Payments	24,096	-	24,096
General and Administrative	68,903	-	68,903
Depreciation Expense	397	-	397
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	520,790	-	520,790
NONOPERATING REVENUES (EXPENSES)			
Insurance Premium Refund	1,215	-	1,215
Interest	352	2,749	3,101
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	1,567	2,749	4,316
CHANGE IN NET POSITION	(17,400)	2,749	(14,651)
NET POSITION, BEGINNING OF YEAR	<hr/> 44,920	<hr/> 196,258	<hr/> 241,178
NET POSITION, END OF YEAR	<hr/> <u>\$ 27,520</u>	<hr/> <u>\$ 199,007</u>	<hr/> <u>\$ 226,527</u>

WASHINGTON PARISH GOVERNMENT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

	Housing Authority of Washington Parish	USDA Revolving Loan Fund	Totals Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments from lenders	\$ -	\$ 12,029	\$ 12,029
Receipts from federal subsidies	501,823	-	501,823
Payments to landlords & tenants	(451,490)	-	(451,490)
Payments to suppliers	(69,633)	-	(69,633)
	<u>(19,300)</u>	<u>12,029</u>	<u>(7,271)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(19,300)	12,029	(7,271)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchases of capital assets	(1,271)	-	(1,271)
	<u>(1,271)</u>	<u>-</u>	<u>(1,271)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,271)	-	(1,271)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	352	2,749	3,101
Insurance refund	1,215	-	1,215
	<u>1,567</u>	<u>2,749</u>	<u>4,316</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,567	2,749	4,316
NET INCREASE (DECREASE) IN CASH	(19,004)	14,778	(4,226)
BALANCES – BEGINNING OF THE YEAR	74,058	150,244	224,302
BALANCES – END OF THE YEAR	<u>\$ 55,054</u>	<u>\$ 165,022</u>	<u>\$ 220,076</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	\$ (18,967)	\$ -	\$ (18,967)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation	397	-	397
Decrease in notes receivable	-	12,029	12,029
Decrease in due from outside sources	327	-	327
(Decrease) in accrued liabilities	(1,057)	-	(1,057)
	<u>(1,057)</u>	<u>-</u>	<u>(1,057)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (19,300)</u>	<u>\$ 12,029</u>	<u>\$ (7,271)</u>

WASHINGTON PARISH GOVERNMENT
NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

INTRODUCTION

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

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

Washington Parish covers an area of 676 square miles with a population of approximately 47,168. The Parish Government maintains 972 miles of roads, of which 251 miles are asphalt, 510 miles are 3-shot, and 211 miles are gravel.

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

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

This criteria includes:

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

INTRODUCTION (Continued)

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

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

BLENDED COMPONENT UNITS

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

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

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

BLENDING COMPONENT UNITS (Continued)

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

Housing Authority of Washington Parish (Housing Authority) is a legally separate government entity formed to administer housing programs funded by the U.S. Department of Housing and Urban Development (HUD). Effective January 1, 2015, the Commission was terminated and the Parish Government assumed responsibility for the Housing Authority. Separate financial statements are not issued. The fund is included as an enterprise fund in the Parish Government's financial statements.

OTHER COMPONENT UNITS

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

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

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 organization and (b) joint venture, as follows:

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

JOINT VENTURE

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 is funded by a dedicated .67 percent sales tax in Washington Parish, excluding Ward 4. The City's share of costs is funded by an ad valorem tax.

Complete financial statements for the Joint Venture can be obtained from the Washington Parish Government at the Parish courthouse in Franklinton, LA.

GASB Statement No. 14 as amended by GASB Statement No. 61, 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements include the following:

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Government-Wide and Fund Financial Statements

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

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

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

The Parish adopted GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68". These statements changed the accounting and financial reporting for pensions that are provided to the employees of the state and local governmental employers through pension plans that are administered through trusts.

The Statements require governments providing defined benefit plans to report the net pension liability in their Statement of Net Position. This net pension liability is the difference between the present value of the pension liability and the fair value of the pension assets, set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. The financial statements have been adjusted to reflect retroactive application as of December 31, 2014. As such, the impact of the cumulative effect of the change in accounting principle on net position as of December 31, 2014 is \$608,116 to reflect beginning net pension liability.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For the purpose, the government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Property taxes are considered to be available within 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Washington Parish Government reports the following major governmental funds:

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

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The **Debt Service PTF Revenue Bonds Fund** was established to account for the debt service of the LCDA \$11,855,000 Sales Tax Revenue Bonds (Washington Parish Road Project) Series 2006.

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

The Washington Parish Government reports the following major proprietary funds:

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

The **Housing Authority of Washington Parish** is an enterprise fund that accounts for grants from the U.S. Department of Housing and Urban Development to fund housing programs.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are interest income. Operating expenses for enterprise funds include the administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Deposits and Investments

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

D. Receivables

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

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

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activity’s column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The following table states the Parish’s thresholds for capitalizing capital assets and the estimated useful lives of capital assets:

<u>Description</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Lives</u>
Buildings	\$5,000	40 years
Building Improvements	\$5,000	20 years
Office Equipment	\$5,000	5 years
Other Equipment	\$5,000	7 years
Vehicles	\$5,000	5 years
Heavy Equipment	\$5,000	10-15 years
Infrastructure:		
Roads	\$25,000	15-20 years
Bridges	\$25,000	30-70 years

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

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

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

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

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

F. Encumbrances

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

G. Compensated Absences

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

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

Vacation does not accumulate and is paid out at year-end or upon termination.

Sick leave does accumulate at one day per month with a maximum of 60 days and is not paid upon termination, but is paid out at retirement.

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

WASHINGTON PARISH GOVERNMENT

*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015*

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Long-Term Liabilities

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

I. Fund Equity

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

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

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

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Parish, which are either unusual in nature or infrequent in occurrence.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Transactions

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

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

L. Estimates

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

M. Sales Taxes Changes

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

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Sales Taxes Changes (Continued)

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

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

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

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

Washington Parish Government Collections on Behalf of Other Taxing Authorities

	<u>Annual Totals – 2015 Tax Period</u>	
	<u>Total Collections</u>	<u>Final Distribution</u>
Town of Franklinton (15%)	\$ 127,000	\$ 127,000
Village of Angie (1%)	8,500	8,500
Village of Varnado (1%)	<u>8,500</u>	<u>8,500</u>
Totals	<u>\$ 144,000</u>	<u>\$ 144,000</u>

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Sales Taxes Changes (Continued)

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

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

N. Intangible Assets

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

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

3. LEVIED TAXES

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

	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide Taxes:		
General Fund:		
Inside	1.85	Indefinite
Outside	3.70	Indefinite
Special Revenue Funds:		
Library	4.60	2026
Parish Transportation	4.13	2026
Road Improvement	10.00	2022
Courthouse Maintenance	1.03	2026
Health Unit Maintenance	<u>3.11</u>	2026
	<u>28.42</u>	

4. CASH AND INVESTMENTS

Cash

At December 31, 2015, the Parish Government had cash and cash equivalents (book balances) totaling \$4,195,120 as follows:

Interest-bearing demand deposits	\$ 4,195,020
Petty cash	<u>100</u>
Total	<u>\$ 4,195,120</u>

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

4. CASH AND INVESTMENTS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2015, the Parish Government had \$5,086,052 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$9,342,977 pledged securities.

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

Investments

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

First NBC – Certificates of Deposits	\$ 447,070
Resource Bank:	
Cash held in Money Market Investment	372,729
Stifle, Nicolaus & Co, Inc.:	
U.S. Government Agencies	882,534
Cash held in Money Market Investment	81,967
Mutual funds of the Bank of New York Mellon, held by BNY Mellon	<u>1,185,521</u>
Total	<u>\$ 2,969,821</u>

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

4. CASH AND INVESTMENTS (Continued)

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

The following table illustrates the Parish's investment exposure to credit risk as of December 31, 2015:

<u>S&P RATING</u>	<u>FAIR VALUE</u>
AAA	\$ 882,534

5. RECEIVABLES

The receivables of \$5,629,395 at December 31, 2015, were as follows:

Class of Receivable	Governmental Activities							Total
	General Fund	Criminal Justice Sales Tax	Parish Transportation Fund	Sales Tax Split .67%	Debt Service PTF Revenue Bonds	Library Fund	Other Governmental Funds	
Taxes:								
Ad Valorem Sales and Use	\$ 520,315	\$ -	\$ 2,504,764	\$ -	\$ -	\$ 827,899	\$ 745,107	\$ 4,598,085
	-	124,556	136,116	183,461	168,289	-	-	612,422
Intergovernmental:								
Federal	-	-	-	-	-	-	62,812	62,812
State	139,849	-	95,346	-	-	-	55,910	291,105
Local	31,679	8,065	1,427	-	-	-	23,800	64,971
TOTAL	<u>\$ 691,843</u>	<u>\$ 132,621</u>	<u>\$ 2,737,653</u>	<u>\$ 183,461</u>	<u>\$ 168,289</u>	<u>\$ 827,899</u>	<u>\$ 887,629</u>	<u>\$ 5,629,395</u>

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

6. NOTES RECEIVABLE

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

Notes receivable, December 31, 2015:

Breedlove Farm, L.L.C.	\$ 872,188
Smith Creamery, L.L.C.	33,985
Allowance for doubtful account	<u>(872,188)</u>
Notes receivable, net of allowance for doubtful account	<u>\$ 33,985</u>

7. NET INVESTMENT IN JOINT VENTURE

The Parish's share of their investment in Choctaw Road Landfill is accounted for in the Sales Tax Split .67% Fund which is a governmental fund. The equity interest in the joint venture represents equity primarily in capital assets and otherwise does not meet the definition of a current financial resource. GASB Statement No. 14, as amended by GASB Statement No. 61 states that it is inappropriate to report the entire "Net Investment in Joint Venture" as an asset in a governmental fund; only the amount that is a current financial resource should be reported.

Accordingly, the Parish's "equity in Joint Venture" of Choctaw Road Landfill at December 31, 2015, is shown in the financial statements as follows:

Sales Tax Split .67% Fund:

Current financial resource in the Fund	\$ 828,522
Economic resources:	
Restricted assets for closure and post closure care costs	428,904
Capital assets	3,703,443
Accumulated depreciation	<u>(3,180,923)</u>
Landfill closure and post closure care costs	<u>(256,490)</u>
Net economic resources	<u>694,934</u>
Equity in Joint Venture in the Government-Wide Statement of Net Position	<u>\$ 1,523,456</u>

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

8. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2015:

	<u>Balance</u> <u>12/31/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/15</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,535,169	\$ 774	\$ (22,202)	\$ 2,513,741
Construction in progress	<u>458,085</u>	<u>607,052</u>	<u>(630,983)</u>	<u>434,154</u>
 Total capital assets not being depreciated	 2,993,254	 607,826	 (653,185)	 2,947,895
 Other capital assets:				
Buildings	10,782,212	587,732	-	11,369,944
Equipment	6,704,502	170,273	(549,962)	6,324,813
Books	1,391,013	-	-	1,391,013
Asphalt roads	20,989,059	-	-	20,989,059
3-shot roads	7,152,416	952,528	(83,593)	8,021,351
Bridges and culverts	<u>23,204,994</u>	<u>-</u>	<u>-</u>	<u>23,204,994</u>
	70,224,196	1,710,533	(633,555)	71,301,174
 Less accumulated depreciation for:				
Buildings	(4,668,775)	(278,280)	-	(4,947,055)
Equipment	(5,653,156)	(219,862)	549,962	(5,323,056)
Books	(1,390,859)	(154)	-	(1,391,013)
Asphalt roads	(13,852,737)	(1,399,271)	-	(15,252,008)
3-shot roads	(2,651,431)	(149,738)	83,593	(2,717,576)
Bridges and culverts	<u>(5,900,210)</u>	<u>(427,847)</u>	<u>-</u>	<u>(6,328,057)</u>
Total accumulated depreciation	<u>(34,117,168)</u>	<u>(2,475,152)</u>	<u>633,555</u>	<u>(35,958,765)</u>
Other capital assets, net	<u>36,107,028</u>	<u>(764,619)</u>	<u>-</u>	<u>35,342,409</u>
 Totals	 <u>\$ 39,100,282</u>	 <u>\$ (156,793)</u>	 <u>\$ (653,185)</u>	 <u>\$ 38,290,304</u>
 Business-type Activities:				
	<u>Balance</u> <u>12/31/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/15</u>
Property, plant & equipment	\$ 1,140	\$ 1,271	\$ -	\$ 2,411
Less accumulated depreciation	<u>(475)</u>	<u>(397)</u>	<u>-</u>	<u>(872)</u>
 Totals	 <u>\$ 665</u>	 <u>\$ 874</u>	 <u>\$ -</u>	 <u>\$ 1,539</u>

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

8. CAPITAL ASSETS (Continued)

Depreciation expense of \$2,475,152 for the year ended December 31, 2015, was charged to the following governmental functions:

General government	\$ 29,273
Public safety	215,762
Highways and streets	2,112,368
Health and welfare	56,253
Culture and recreation	<u>61,496</u>
	<u>\$ 2,475,152</u>

The State of Louisiana through their Off-System Bridge Replacement Program, did not replace bridges and culverts throughout Washington Parish during the year ended December 31, 2015.

Depreciation expense of \$397 was charged to the Business-type Activities for the year ended December 31, 2015.

9. INTERFUND TRANSFERS

Details about interfund transfers from other funds during 2015 follow:

Transfers In:				
	General Fund	Parish Transportation Fund	Nonmajor Governmental Funds	Total
Transfers Out:				
General Fund	\$ -	\$ -	\$ 363,102	\$ 363,102
Parish Transportation Fund	-	-	1,090,000	1,090,000
Sales Tax Split .67 Fund	<u>576,000</u>	<u>127,000</u>	-	<u>703,000</u>
TOTAL	<u>\$ 576,000</u>	<u>\$ 127,000</u>	<u>\$ 1,453,102</u>	<u>\$ 2,156,102</u>

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2015

10. ON-BEHALF PAYMENTS

GASB Statement No. 24 establishes accounting and financial reporting standards for passthrough grants, food stamps, and on-behalf payments for fringe benefits and salaries. During the year 2015, the state paid salaries of \$134,099 directly to Parish Government employees on behalf of Parish Government. This amount has been included in the financial statements in intergovernmental revenues and salaries expenditures.

11. ROAD IMPROVEMENT REVENUE BONDS

Pursuant to a request through a Resolution dated December 8, 2005 of Washington Parish Government, the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) issued \$11,855,000 of its Revenue Bonds (Washington Parish Road Project) Series 2006. The following sales tax revenue has been pledged to secure the debt:

- .33% sales and use tax (Parish-wide) effective for 2002 and
- 1% sales and use tax (all unincorporated areas of the Parish) effective January 1, 2003.

The proceeds of the Bonds are dedicated for the purpose of refunding the Series 2003 Bonds outstanding principal of \$11,750,000, funding a reserve fund and paying costs of issuance of the Series 2006 Bonds.

Pursuant to the bond agreement, the Parish is required to reserve 1/12 of the annual payment on a monthly basis for the prior twelve months before the debt payment is due. The reserved amount is recorded on the Statement of Net Position as restricted position.

The annual requirements to amortize the revenue bonds outstanding at December 31, 2015 including interest of \$129,000 is as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,475	\$ 96	\$ 1,571
2017	<u>1,535</u>	<u>33</u>	<u>1,568</u>
	<u>\$ 3,010</u>	<u>\$ 129</u>	<u>\$ 3,139</u>

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

12. CHANGES IN GENERAL LONG-TERM LIABILITIES

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

	Balance 01/01/15	Additions	Retirements	Balance 12/31/15	Current Portion
Road Improvement Revenue					
Bonds, Series 2006	\$ 4,425,000	\$ -	\$ 1,415,000	\$ 3,010,000	\$ 1,475,000
Accrued interest payable	30,926	21,195	30,926	21,195	21,195
Compensated absences	83,904	9,476	-	93,380	93,380
TOTAL	\$ 4,539,830	\$ 30,671	\$ 1,445,926	\$ 3,124,575	\$ 1,589,575

13. PENSION PLAN

Substantially all employees of the Parish are members of the Parochial Employees' Retirement System (PERS). The plan is administered by a separate board of trustees and is a cost-sharing, multiple-employer defined benefit pension plan. The system issues annual, publicly-available financial reports that include financial statements and required supplementary information for the system. The report for PERS may be obtained at www.persla.org.

General Information about the Pension Plan

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

Benefits Provided – The System provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0% of the employee's final compensation multiplied by the employee's years of creditable service. 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 3.0% of their final-average salary for each year of creditable service. 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. Under state law, cost of living increases to

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

13. PENSION PLAN (Continued)

benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement. Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.5% of their annual pay. The Parish's contractually required contribution rate was 16.0% for the period ended December 31, 2014 and 14.5% for period January 1, 2015 through December 31, 2015.

Contributions to the System from the Parish for December 31, 2015, 2014, and 2013, were \$422,972, \$451,938 and \$463,891, respectively, equal to the required contributions for each year.

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

At December 31, 2015, the Parish reported a liability of \$140,536 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Parish's proportion of the net pension liability was based on a projection of the Parish's December 31, 2015 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the Parish's proportion was 0.514016%, which was a decrease of 0.013495% from its proportion measured as of December 31, 2013. For the year ended December 31, 2015, the Parish recognized pension expense of \$585,700. At December 31, 2015, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 62,474
Net Difference Between Projected and Actual Earnings		
On Pension Plan Investments	291,797	-
Changes in Proportion and Differences Between Parish		
Contributions and Proportionate Share of Contributions	-	719
Parish Contributions Subsequent to the Measurement Date	<u>422,972</u>	<u>-</u>
	<u>\$ 714,769</u>	<u>\$ 63,193</u>

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

13. PENSION PLAN (Continued)

\$422,972 reported as deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:

December 31, 2016	\$ 51,885
December 31, 2017	51,885
December 31, 2018	51,885
December 31, 2019	72,949
December 31, 2020	-
Thereafter	-

Actuarial Assumptions – The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	5.75% (3.00% Inflation, 2.75% Merit)
Investment Rate of Return	7.25%, Net of Investment Expense

Mortality rates were based on the RP-2000 Employee Table for active members, the RP-2000 Healthy Annuitant Table for healthy annuitants and beneficiaries, and the RP-2000 Disabled Lives Mortality Tables for disabled annuitants for Males or Females, as appropriate.

The mortality rate assumption used in the December 31, 2014, valuation was set based upon an experience study performed on plan data for the period January 1, 2004 through December 31, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables. The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottomup), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

13. PENSION PLAN (Continued)

return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return is 8.11% for the year ended December 31, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	34.00%	1.30%
Equity	51.00%	3.55%
Alternatives	12.00%	0.77%
Real Assets	3.00%	0.19%
Total	<u>100.00%</u>	<u>5.81%</u>
Inflation	2.30%	
Expected Arithmetic Nominal Return	8.11%	

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems’ Actuarial Committee (“PR SAC”) taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Parish’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Parish’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Parish’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
The Parish’s Proportionate Share of the Net Pension Liability	\$ 2,031,657	\$ 140,536	\$ (1,461,793)

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

13. PENSION PLAN (Continued)

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

Payables to the Pension Plan – As of December 31, 2015, the Parish did not have any payables due to the System.

14. FUND BALANCES

Governmental Funds:

Description:	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Funds	Debt Service Fund	Other Governmental Funds	
Fund Balances:					
Restricted for:					
Sales taxes	\$ -	\$ 734,578	\$ -	\$ -	\$ 734,578
Ad valorem taxes	-	1,712,738	-	-	1,712,738
Road improvement	-	-	-	113,612	113,612
Emergency preparedness	-	-	-	15,145	15,145
Hurricane relief	-	-	-	349,308	349,308
Health services	-	-	-	928,909	928,909
Landfill	-	-	-	1,404,104	1,404,104
Courthouse maintenance	-	-	-	66,020	66,020
Parish transportation	-	3,246,774	-	-	3,246,774
Debt service	-	-	1,557,063	20	1,557,083
Recreation	-	-	-	121,941	121,941
Special witnesses	-	-	-	34,725	34,725
Criminal jury	-	-	-	260	260
Unassigned:	648,431	-	-	-	648,431
Total Fund Balances	\$ 648,431	\$ 5,694,090	\$ 1,557,063	\$ 3,034,044	\$ 10,933,628

15. RISK MANAGEMENT

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

16. COMPENSATION PAID TO PARISH PRESIDENT AND PARISH COUNCIL

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>
Richard N. Thomas, Jr.	Parish President	\$ 140,527
Kenneth Wheat	Parish Council District 1	12,000
Michael Fussell	Parish Council District 2	14,000
Charles Nassauer	Parish Council District 3	11,850
Andre Johnson	Parish Council District 4	12,000
Justin Thomas	Parish Council District 5	12,000
Greg Route, Sr.	Parish Council District 6	12,000
Aubrey Posey	Parish Council District 7	12,000

17. LITIGATION

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

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

18. CONTINGENT LIABILITY

In the audit report of Washington Parish Government for the year ended December 31, 2003, there was a "questioned cost" concerning an \$872,188 bad debt expense on a loan made with the proceeds of a U.S. Department of Agriculture (USDA) revolving loan fund grant. In 2005, the USDA and the Office of the Louisiana Legislative Auditor began looking into this matter. Because of the inherent nature of "questioned costs," the USDA could possibly ask Parish Government for partial or full reimbursement sometime in the future. However, the ultimate outcome is unknown at this time. Accordingly, no liability has been recorded in these financial statements.

19. GRANTS FROM OTHER GOVERNMENTAL UNITS

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

19. GRANTS FROM OTHER GOVERNMENTAL UNITS (Continued)

Some of the grants received by the Parish Government specify the purpose for which the grant monies are to be used and such grants are subject to audit by the granting agency. This audit report contains the following grant expenditures which have been expended as December 31, 2015:

Section 8 Housing Choice Vouchers	\$ 520,790
Hazard Mitigation – Window Retrofit	278,561
Community Development Block Grant expenditures	362,360
U.S. Department of Transportation – Washington Parish Council on Aging expenditures	220,899

20. POST EMPLOYMENT BENEFITS

HEALTH INSURANCE

Plan Description

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

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

Fund Policy

During 2015, the Parish had no health care costs for retired employees as no retired employees received benefits during the year.

Effective with the fiscal year beginning January 1, 2008, the Parish implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (GASB No. 45). The provisions of GASB No. 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded liability is required to be amortized over future periods. The Parish applied GASB No. 45 prospectively, therefore it established its OPEB liability at zero beginning January 1, 2008.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

20. POST EMPLOYMENT BENEFITS (Continued)

The Parish has fewer than 100 plan members and meets the requirements to use the alternative measurement method and elects to do so. The Parish will use the following method:

Calculation of the ARC Using the Entry Age Cost Method With Level Percentage of Payroll Normal Costs and the UAAL Amortized as a Level Percentage of Payroll.

Annual Required Contribution (ARC)

The Parish's Annual Required Contribution (ARC) is the sum of the normal cost plus the contribution to amortize the projected liability. An amortization period not to exceed thirty years has been used for the medical insurance benefits. The total ARC for medical benefits for the fiscal year beginning January 1, 2015 is \$98,354, which includes \$25,609 of amortization and \$781 of interest. Currently this amount is unfunded.

The following schedule presents components of the Parish's annual OPEB costs for the fiscal year 2015, the amount actually contributed to the plan, and changes in the Parish's net OPEB obligation to the OPEB plan:

Annual Required Contribution	\$	98,354
Interest on net OPEB obligation		22,007
ARC Adjustment		<u>(22,548)</u>
Annual OPEB Cost		97,813
Contributions made by employer		<u>-</u>
Increase in net OPEB obligation		97,813
Beginning net OPEB obligation, December 31, 2014		<u>721,543</u>
Ending net OPEB obligation, December 31, 2015	\$	<u>819,356</u>

Funded Status and Funding Progress

During the fiscal year 2015, the Parish did not establish or contribute to a postemployment benefits plan trust. Since there is no trust, the Parish's entire actuarial accrued liability of \$664,861 was unfunded.

The funded status of the plan as of January 1, 2015 was as follows:

Actuarial accrued liability (AAL)	\$	664,861
Actuarial value of plan assets		<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>664,861</u>
Funded ratio		0%

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

20. POST EMPLOYMENT BENEFITS (Continued)

Covered payroll (active plan members)	\$ 3,225,626
UAAL as a percent of covered payroll	17.5%

Investment Return Assumption (Discount Rate)

GASB No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will be funded, a 3.05% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balance and conservative investment portfolio under professional management.

Turnover

The probability that an employee will remain employed until the assumed retirement age was determined using non-group-specific age-based turnover data adapted from data maintained by the U.S. Office of Personnel Management regarding the experience of employee group covered by Federal Employees Retirement System. These probabilities were provided in the GASB Statement No. 45.

Future Cost Increase (Trend) Rate

The expected rate of increase in medical costs is based on projections performed by the Office of Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2014 – 2024, Table 3. National Health Expenditures; Aggregate and per Capita Amounts, Percent Distribution and Annual Percent Change by Source of Funds: Calendars Years 2003 – 2018 released by the Health Care Financing Administration (www.cmc.gov). Graduated rates for 2014 through 2024 were used from this table with an ultimate annual rate of 6.1% for 2024 and later. The current medical premium is \$785 per month which is paid at 100% by the Parish.

Mortality

As recommended in GASB No. 45, the life expectancies are based on mortality tables at the National Center for Health Statistics website (www.cdc.gov). The 2006 United States Life Tables for Males and United States Life Tables for Females were used. Life expectancies that included partial years were rounded to the nearest whole year. The calculation of postemployment health insurance coverage for each year is based on the assumption that all participants will live until their expected age.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015

21. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 10, 2016, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2015 that required recognition or disclosure in these financial statements.

22. PRIOR PERIOD ADJUSTMENT

A summary of prior period adjustments made to the beginning net position are as follows:

A. Governmental Funds

Beginning Net Position, Originally Stated	\$ 45,202,003
To Adjust Prior Year Balances	<u>608,116</u>
Beginning Net Position, Restated	\$ <u>45,810,119</u>

The prior period adjustments were made to adjust the beginning net position as a result of the implementation of GASB Statement No. 68 – “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71 – “Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68.”

23. COMMITMENTS

On May 21, 2010, Washington Parish Government received notification of approval of a cooperative endeavor agreement with the Office of Community Development – Disaster Recovery Unit (OCD-DRU) for \$228,287. This award is for a Facility Expansion Project at the Parish Government’s Administration building to allow the Office of Emergency Preparedness office to move into the same building as parish administration. We were able to secure additional funds for this project through OCD-DRU (Isaac), in the amount of \$162,498. On October 5, 2015, a contract for construction was awarded to the low bidder, Brunt Construction, in the amount of \$452,702. The grant requires a 25% match which will be funded by the Parish’s General Fund. Funds committed to this project from General fund were budgeted at \$90,000. At December 31, 2015, \$55,911 of CDBG – DR funds were expended on this project. The project is expected to be complete by June 2016.

On May 8, 2012, the Washington Parish Government received funding approval for Phase I of a Hazard Mitigation Grant Project in the amount of \$351,750 for Drainage Culvert Improvements. The planning and engineering stage of the HMGP Bridges to Culverts project was awarded to Richard C. Lambert Consultants, L.L.C., this phase of the project was substantially complete at 12/31/15. The plans and specifications for the individual locations have been approved by GOHSEP/FEMA and the project modified to fit within funding constraints.

WASHINGTON PARISH GOVERNMENT

*NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)
As of and for the Year Ended December 31, 2015*

23. COMMITMENTS (Continued)

This \$2.0 M project will replace 26 old wooden structures with engineered, culvert/pipe structures. The Parish is preparing to go to bid for this project in June 2016.

**REQUIRED SUPPLEMENTAL
INFORMATION**

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad valorem	\$ 488,800	\$ 495,800	\$ 512,529	\$ 16,729
Other	-	-	11,453	11,453
Licenses and permits	537,400	538,000	523,897	(14,103)
Federal grants	237,600	226,000	220,899	(5,101)
State funds				
State revenue sharing	40,000	40,000	39,237	(763)
Other	572,400	642,300	660,291	17,991
Fees, charges, etc.	433,700	387,300	404,283	16,983
Interest income	1,500	3,500	5,031	1,531
Other	1,400	2,300	6,000	3,700
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	2,312,800	2,335,200	2,383,620	48,420
EXPENDITURES				
Current				
General government				
Legislative	238,300	230,350	216,779	13,571
Judicial	276,800	213,200	250,762	(37,562)
Executive	247,300	247,300	238,663	8,637
Elections	197,200	196,100	176,208	19,892
Finance and administrative	513,200	579,900	574,454	5,446
Other	611,600	580,500	560,134	20,366
Public Safety	284,300	305,500	261,627	43,873
Health and welfare	108,150	111,500	139,428	(27,928)
Culture and recreation	23,000	60,200	29,618	30,582
Capital outlay	-	-	6,235	(6,235)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	2,499,850	2,524,550	2,453,908	70,642
Excess (deficiency) of revenues over expenditures	(187,050)	(189,350)	(70,288)	119,062
OTHER FINANCING SOURCES (USES)				
Operating transfers in	575,000	575,000	576,000	1,000
Operating transfers (out)	(250,000)	(325,100)	(363,102)	(38,002)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	325,000	249,900	212,898	(37,002)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	137,950	60,550	142,610	82,060
Fund balances, beginning	<hr/>	<hr/>	<hr/>	<hr/>
	178,626	505,819	505,821	2
Fund balances, ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 316,576	\$ 566,369	\$ 648,431	\$ 82,062

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

CRIMINAL JUSTICE SALES TAX FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales	\$ 1,305,000	\$ 1,395,000	\$ 1,333,373	\$ (61,627)
Other	-	1,200	1,817	617
Interest income	-	400	563	163
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,305,000	1,396,600	1,335,753	(60,847)
EXPENDITURES				
Current				
General government				
Judicial	783,188	785,850	786,123	(273)
Finance and administrative	20,000	21,000	18,397	2,603
Public Safety	499,395	499,400	482,024	17,376
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,302,583	1,306,250	1,286,544	19,706
Excess (deficiency) of revenues over expenditures	2,417	90,350	49,209	(41,141)
Fund balances, beginning	-	4,725	4,725	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, ending	<u>\$ 2,417</u>	<u>\$ 95,075</u>	<u>\$ 53,934</u>	<u>\$ (41,141)</u>

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

SALES TAX SPLIT .67 % FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales	\$ 1,825,000	\$ 1,930,000	\$ 1,869,225	\$ (60,775)
Interest income	1,400	3,800	4,014	214
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,826,400	1,933,800	1,873,239	(60,561)
 EXPENDITURES				
Finance & administrative	108,000	106,700	100,584	6,116
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	108,000	106,700	100,584	6,116
 Excess (deficiency) of revenues over expenditures	1,718,400	1,827,100	1,772,655	(54,445)
 OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(715,000)	(900,000)	(673,621)	226,379
Increase (decrease) in equity in joint ventures	(700,000)	(715,000)	(732,954)	(17,954)
Excess sales tax split with other government entities	(158,000)	(158,000)	(144,000)	14,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(1,573,000)	(1,773,000)	(1,550,575)	222,425
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	145,400	54,100	222,080	167,980
 Fund balances, beginning	279,025	458,564	458,564	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, ending	\$ 424,425	\$ 512,664	\$ 680,644	\$ 167,980
	<hr/>	<hr/>	<hr/>	<hr/>

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

PARISH TRANSPORTATION FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad valorem	\$ 2,393,300	\$ 2,415,300	\$ 2,511,938	\$ 96,638
Sales	1,350,000	1,500,000	1,513,123	13,123
Other	5,300	4,000	6,066	2,066
State funds				
Parish transportation funds	525,000	525,000	622,694	97,694
State revenue sharing	50,000	50,000	49,698	(302)
Interest income	12,500	21,100	19,868	(1,232)
Other	1,000	5,600	4,623	(977)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	4,337,100	4,521,000	4,728,010	207,010
EXPENDITURES				
Current				
General government				
Elections	-	10,500	10,386	114
Finance and administrative	252,050	257,000	272,013	(15,013)
Highway and streets	3,226,550	3,056,400	2,973,318	83,082
Capital outlay	36,000	41,000	32,494	8,506
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	3,514,600	3,364,900	3,288,211	76,689
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	822,500	1,156,100	1,439,799	283,699
OTHER FINANCING SOURCES (USES)				
Operating transfers in	140,000	140,000	127,000	(13,000)
Operating transfers (out)	<u>(1,050,000)</u>	<u>(1,090,000)</u>	<u>(1,090,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(910,000)</u>	<u>(950,000)</u>	<u>(963,000)</u>	<u>(13,000)</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(87,500)	206,100	476,799	270,699
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning	1,935,357	2,769,974	2,769,975	1
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, ending	<u>\$ 1,847,857</u>	<u>\$ 2,976,074</u>	<u>\$ 3,246,774</u>	<u>\$ 270,700</u>

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

HMGP GRANT FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Federal grants	\$ 6,421,500	\$ 280,500	\$ 278,561	\$ (1,939)
TOTAL REVENUES	6,421,500	280,500	278,561	(1,939)
EXPENDITURES				
Hurricane relief and restoration	-	-	7,891	(7,891)
Finance & administrative	387,500	22,800	-	22,800
Capital outlay	6,034,000	257,700	270,670	(12,970)
TOTAL EXPENDITURES	6,421,500	280,500	278,561	1,939
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON PARISH GOVERNMENT

BUDGETARY COMPARISON SCHEDULE

LIBRARY FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad valorem	\$ 778,500	\$ 796,500	\$ 817,776	\$ 21,276
State funds				
State revenue sharing	57,000	57,000	55,355	(1,645)
Other	55,800	43,700	36,397	(7,303)
Donations	-	1,665	1,715	50
Fees, charges, etc.	17,500	18,000	20,218	2,218
Fines and penalties	4,800	4,600	4,185	(415)
Interest income	8,800	10,100	12,824	2,724
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	922,400	931,565	948,470	16,905
EXPENDITURES				
Current				
General government				
Finance and administrative	38,400	38,500	36,300	2,200
Culture and recreation	868,000	881,200	841,476	39,724
Elections	-	10,400	10,386	14
Capital outlay	10,000	51,000	45,467	5,533
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	916,400	981,100	933,629	47,471
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	6,000	(49,535)	14,841	64,376
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning	1,597,889	1,697,897	1,697,897	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, ending	<u>\$ 1,603,889</u>	<u>\$ 1,648,362</u>	<u>\$ 1,712,738</u>	<u>\$ 64,376</u>

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FUNDING PROGRESS FOR
THE PARISH'S OPEB PLAN
For the Years Ended December 31, 2015, 2014, and 2013

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll [(b-a)/c]
12/31/13	01/01/2013	\$ -	\$ 722,929	\$ 722,929	0%	\$ 3,212,922	22.5%
12/31/14	01/01/2014	-	540,249	540,249	0%	3,040,172	17.8%
12/31/15	01/01/2015	-	664,861	664,861	0%	3,225,626	17.5%

The actuarial valuation date differs from the financial reporting date. The actuarial valuations are as of the beginning of the fiscal year.

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2015 and 2014

<u>Fiscal Year</u>	Employer's Proportion Share of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
12/31/2014	0.527511%	\$ 37,974	\$ 3,040,172	1.25%	99.77%
12/31/2015	0.514016%	140,536	3,225,626	4.36%	99.15%

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
For the Year Ended December 31, 2015 and 2014

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/2014	\$ 457,938	\$ 457,938	-	\$ 3,040,172	15.06%
12/31/2015	422,972	422,972	-	3,225,626	13.11%

OTHER SUPPLEMENTAL INFORMATION

WASHINGTON PARISH GOVERNMENT

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

SPECIAL REVENUE FUNDS

Hurricane Katrina Fund – Accounts for the expenditures of funds for hurricane relief and restoration and reimbursements received from FEMA.

Hurricane Isaac Fund – Accounts for the expenditures of funds for hurricane relief and restoration and reimbursements received from FEMA.

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

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

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

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

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

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

WASHINGTON PARISH GOVERNMENT

NONMAJOR GOVERNMENTAL FUNDS-CONTINUED

December 31, 2015

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

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

DEBT SERVICE FUNDS

General Obligation Jail Bonds – This fund was established to account for the debt service of the 1981 Jail Bonds. All the bonds have been paid. The money left over in this account can only be used for the same purpose as the original jail bonds.

CAPITAL PROJECTS FUND

Road Improvement Fund – Accounts for the constructing, improving and resurfacing of public roads and bridges in the Parish including incidental drainage and the acquisition of equipment thereof. These activities are funded through sales and ad valorem tax revenues accounted for in the Parish Transportation Fund.

WASHINGTON PARISH GOVERNMENT

NONMAJOR GOVERNMENTAL FUNDS-CONTINUED

December 31, 2015

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

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

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

State/Federal Grant Fund – Accounts for the receipts and expenditures of funds for certain State and Federal Grants received by the Parish.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
 December 31, 2015

Special Revenue Funds

		<u>Hurricane Katrina Fund</u>	<u>Hurricane Isaac Fund</u>	<u>Special Witness</u>	<u>Criminal Jury</u>	<u>Courthouse Maintenance</u>	<u>Health Unit Maintenance</u>	<u>Criminal Court</u>	<u>Office of Homeland Security & Emergency Preparedness</u>	<u>Recreation District #1</u>
ASSETS										
Cash	\$	-	\$	-	\$ 2,140	\$	\$	\$	\$	\$ 121,941
Investments	-	-	-	-	-	62,415	97,400	-	-	-
Receivables	-	-	1,006	7,371	-	179,262	541,267	15,423	-	-
FEMA Receivable	-	62,812	-	-	-	-	-	-	-	-
Due from other funds	338,495	-	33,869	-	-	-	299,396	-	12,709	-
Due from other governmental units	-	-	-	-	-	-	-	-	6,512	-
TOTAL ASSETS	\$	338,495	62,812	34,875	9,511	241,677	938,063	15,423	19,221	121,941
LIABILITIES										
Accounts payable	\$	-	\$	150	\$ 9,251	\$ 2,356	\$ 6,477	\$ 3,659	\$ 1,799	\$
Due to other funds	-	35,581	-	-	-	172,301	-	11,464	-	-
Compensated absences	-	-	-	-	-	1,000	2,677	-	2,277	-
Due to FEMA	-	16,418	-	-	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-	300	-	-
TOTAL LIABILITIES	-	51,999	150	9,251	175,657	9,154	15,423	4,076	-	-

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
 December 31, 2015

Special Revenue Funds

	Hurricane Katrina Fund	Hurricane Isaac Fund	Special Witness	Criminal Jury	Courthouse Maintenance	Health Unit Maintenance	Criminal Court	Office of Homeland Security & Emergency Preparedness	Recreation District #1
FUND BALANCES									
Restricted	338,495	10,813	34,725	260	66,020	928,909	-	15,145	121,941
TOTAL FUND BALANCES	<u>338,495</u>	<u>10,813</u>	<u>34,725</u>	<u>260</u>	<u>66,020</u>	<u>928,909</u>	<u>-</u>	<u>15,145</u>	<u>121,941</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 338,495</u>	<u>\$ 62,812</u>	<u>\$ 34,875</u>	<u>\$ 9,511</u>	<u>\$ 241,677</u>	<u>\$ 938,063</u>	<u>\$ 15,423</u>	<u>\$ 19,221</u>	<u>\$ 121,941</u>

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
 December 31, 2015

	<u>Special Revenue Fund</u>		<u>Debt Service Fund</u>		<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Sales Tax Split 1%</u>	<u>General Obligation Jail Bonds</u>	<u>Road Improvement Fund</u>	<u>LCDBG</u>	<u>LCDBG Water Improvements</u>	<u>CDBG Grant Fund</u>	<u>State/Federal Grant Fund</u>		
ASSETS									
Cash	\$ -	\$ -	\$ -	\$ 2,228	\$ 10	\$ -	\$ -	\$ -	\$ 126,319
Investments	1,239,831	-	-	-	-	-	-	-	1,399,646
Receivables	-	-	-	-	-	55,911	-	-	800,240
FEMA Receivable	-	-	-	-	-	-	-	-	62,812
Due from other funds	164,129	20	113,612	-	-	2,907	-	-	965,137
Due from other governmental units	-	-	-	-	-	-	8,286	-	14,798
TOTAL ASSETS	\$ 1,403,960	\$ 20	\$ 113,612	\$ 2,228	\$ 10	\$ 58,818	\$ 8,286	\$ 8,286	\$ 3,368,952
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,818	\$ -	\$ -	\$ 82,510
Due to other funds	-	-	-	-	-	-	8,286	-	227,632
Compensated absences	-	-	-	-	-	-	-	-	5,954
Due to FEMA	-	-	-	-	-	-	-	-	16,418
Due to other governmental units	-	-	-	2,094	-	-	-	-	2,394
TOTAL LIABILITIES	-	-	-	2,094	-	58,818	8,286	8,286	334,908

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2015

	<u>Special Revenue Fund</u>		<u>Debt Service Fund</u>		<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Sales Tax Split 1%</u>	<u>General Obligation Jail Bonds</u>	<u>Road Improvement Fund</u>	<u>LCDBG</u>	<u>LCDBG Water Improvements</u>	<u>CDBG Grant Fund</u>	<u>State/Federal Grant Fund</u>		
FUND BALANCES									
Restricted	1,403,960	20	113,612	134	10	-	-	3,034,044	
TOTAL FUND BALANCES	<u>1,403,960</u>	<u>20</u>	<u>113,612</u>	<u>134</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>3,034,044</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,403,960</u>	<u>\$ 20</u>	<u>\$ 113,612</u>	<u>\$ 2,228</u>	<u>\$ 10</u>	<u>\$ 58,818</u>	<u>\$ 8,286</u>	<u>\$ 3,368,952</u>	

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Hurricane Katrina Fund	Hurricane Isaac Fund	Special Witness	Criminal Jury	Courthouse Maintenance	Health Unit Maintenance	Criminal Court	Homeland Security & Emergency Preparedness	Recreation District #1
REVENUES									
Taxes									
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ 183,111	\$ 552,888	\$ -	\$ -	\$ -
Intergovernmental federal funds									
Federal grants	-	-	-	-	-	-	-	109,347	-
FEMA reimbursement	53,349	-	-	-	-	-	-	-	-
State funds									
State revenue sharing	-	-	-	-	72,395	37,425	-	-	-
Other	-	-	-	-	-	-	-	-	-
Fees, charges, etc.	-	-	6,690	48,591	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	143,355	-	-
Interest income	5,362	-	302	38	843	5,750	-	102	1,229
Investment earnings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	1,140
Total revenues	58,711	-	6,992	48,629	256,349	596,063	143,355	109,449	2,369
EXPENDITURES									
Current									
General government	-	-	2,450	49,678	197,685	-	170,285	-	-
Judicial	-	-	-	-	10,386	10,386	-	-	-
Elections	-	-	-	-	7,800	23,800	-	-	-
Finance and administrative	-	-	-	-	-	-	-	183,971	-
Public Safety	-	-	-	-	-	430,567	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	3,542

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Special Revenue Funds</u>									
	Hurricane Katrina Fund	Hurricane Isaac Fund	Special Witness	Criminal Jury	Courthouse Maintenance	Health Unit Maintenance	Criminal Court	Homeland Security & Emergency Preparedness	Recreation District #1	
Hurricane relief and restoration	195,733	3,500	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	65,320	-	-	-	-	-
Total expenditures	195,733	3,500	2,450	49,678	281,191	464,753	170,285	183,971	3,542	
Excess (deficiency) of revenues over expenditures	(137,022)	(3,500)	4,542	(1,049)	(24,842)	131,310	(26,930)	(74,522)	(1,173)	
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	-	1,309	24,842	-	241,462	80,000	-	
Total other financing sources (uses)	-	-	-	1,309	24,842	-	241,462	80,000	-	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(137,022)	(3,500)	4,542	260	-	131,310	214,532	5,478	(1,173)	
Fund balances (deficits), beginning	475,517	14,313	30,183	-	66,020	797,599	(214,532)	9,667	123,114	
Fund balances (deficits), ending	\$ 338,495	\$ 10,813	\$ 34,725	\$ 260	\$ 66,020	\$ 928,909	\$ -	\$ 15,145	\$ 121,941	

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Special Revenue Fund</u>		<u>Debt Service Fund</u>		<u>Capital Project Funds</u>			<u>State/Federal Grant Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Sales Tax Split 1%</u>	<u>General Obligation Jail Bonds</u>	<u>Road Improvement Fund</u>	<u>LCDBG</u>	<u>LCDBG Water Improvements</u>	<u>CDBG Grant Fund</u>	<u>State/Federal Grant Fund</u>		
REVENUES									
Taxes									
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735,999
Intergovernmental federal funds									
Federal grants	-	-	-	-	291,011	71,348	42,983		514,689
FEMA reimbursement	-	-	-	-	-	-	-	-	53,349
State funds									
State revenue sharing	-	-	-	-	-	-	-	-	109,820
Other	-	-	408	-	-	-	9,268	-	9,676
Fees, charges, etc.	-	-	-	-	-	-	-	-	55,281
Fines and penalties	-	-	-	-	-	-	-	-	143,355
Interest income	20,926	-	797	22	-	-	-	-	35,371
Investment earnings	2,805	-	-	-	-	-	-	-	2,805
Other	-	-	-	-	-	-	-	-	1,140
Total revenues	23,731	-	1,205	22	291,011	71,348	52,251	-	1,661,485

EXPENDITURES	
<u>Current</u>	
General government	420,098
Judicial	20,772
Elections	49,370
Finance and administrative	183,971
Public Safety	430,567
Health and welfare	3,542
Culture and recreation	-

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Special Revenue Fund</u>		<u>Debt Service Fund</u>		<u>Capital Project Funds</u>			<u>State/Federal Grant Fund</u>	<u>CDBG Grant Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Sales Tax Split 1%</u>	<u>General Obligation Jail Bonds</u>	<u>Road Improvement Fund</u>	<u>LCDBG</u>	<u>LCDBG Water Improvements</u>	<u>52,251</u>	<u>69,067</u>			
Hurricane relief and restoration	-	-	-	-	-	-	-	-	-	199,233
Capital outlay	-	-	1,033,373	-	-	291,011	52,251	69,067	52,251	1,511,022
Total expenditures	-	-	1,033,373	-	-	291,011	52,251	86,837	52,251	2,818,575
Excess (deficiency) of revenues over expenditures	23,731	-	(1,032,168)	22	-	-	-	(15,489)	-	(1,157,090)
OTHER FINANCING SOURCES (USES)										
Operating transfers in	-	-	1,090,000	-	-	-	-	15,489	-	1,453,102
Total other financing sources (uses)	-	-	1,090,000	-	-	-	-	15,489	-	1,453,102
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	23,731	-	57,832	22	-	-	-	-	-	296,012
Fund balances (deficits), beginning	1,380,229	20	55,780	112	10	-	-	-	-	2,738,032
Fund balances (deficits), ending	\$ 1,403,960	\$ 20	\$ 113,612	\$ 134	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 3,034,044

See Accompanying Independent Auditors' Report.

WASHINGTON PARISH GOVERNMENT

SCHEDULE OF COMPENSATION, BENEFITS, AND

OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2015

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

Salary	\$	140,527
Benefits – retirement		20,377
Benefits – insurance		9,455
Vehicle provided by government		1,823
Reimbursements		70
Total	\$	<u>172,252</u>

OTHER REPORTS

Kushner LaGraize, L.L.C.

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

Washington Parish Government
Franklinton, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Parish Government (the "Parish") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated June 10, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, that result in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 10, 2016

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

Washington Parish Government
Franklinton, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Washington Parish Government's (the "Parish") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Parish's major federal programs for the year ended December 31, 2015. The Parish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Parish complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified one deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we considered to be a significant deficiency.

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

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 10, 2016

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Federal Expenditures
United States Department of Homeland Security		
Passed through Governor's Office of Homeland Security and Emergency Preparedness:		
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	\$ 195,732
State Homeland Security Program	97.067	62,652
Hazard Mitigation Grant Program	97.039	278,561
Emergency Management Grant	97.042	28,701
Total Department of Homeland Security		565,646
United States Department of Housing and Urban Development		
Direct:		
Section 8 Housing Choice Vouchers	14.871*	520,790
		520,790
Passed through State Office of Community Development:		
Community Development Block Grant	14.228*	362,360
Total Department of Housing and Urban Development		883,150
United States Department of Transportation		
Passed through State Department of Transportation and Development:		
Nonurbanized Area Formula Grant	20.509	220,899
Recreational Trails Program	20.219	42,983
Total Department of Transportation		263,882
United States Department of Health and Human Services		
Passed through State Department of Health and Hospitals:		
Public Health Emergency Preparedness	93.069	17,994
Total Department of Health and Human Services		17,994
Total Expenditures of Federal Awards		\$ 1,730,672

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

WASHINGTON PARISH GOVERNMENT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Washington Parish Government and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Washington Parish Government provided federal awards to subrecipients for CFDA number 20.509, United States Department of Transportation passed through the Louisiana Department of Transportation and Development Nonurbanized Area Formula Grant in the amount of \$220,899.

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal Control Over Financial Reporting:

- Significant deficiency identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control Over Major Programs:

- Significant deficiency identified? Yes No
- Significant deficiency that is not considered to be material weaknesses Yes None reported

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Department of Housing and Urban Development – Section 8 Housing Choice Vouchers
14.228	Department of Housing and Urban Development – Community Development Block Grant

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued
For the Year Ended December 31, 2015

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee Qualified as Low-Risk Auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2015-001

Criteria

As a condition of admission or continued occupancy, the Housing Authority must require that the tenant and other family members provide necessary information, documentation and releases for the authority to verify income eligibility (24 CFR 5.230, 5.609 and 982.516). The Housing Authority must properly re-examine family income and composition every twelve months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR 982.516).

Condition

In our test of files we found:

- Some files where the Housing Authority used the EIV (enterprise income verification) income report to calculate wage income. The EIV report serves only as verification of employment and is not to be used to calculate income. The files did not include the required third party verification of income at time of payment.
- There were some files that did not contain completed Citizen Declaration Forms.
- It was noted that in one case, current staff was unable to locate tenant file records.

Cause

The Housing Authority did not implement procedures and controls to ensure compliance.

Effect

The Housing Authority may be charging an incorrect amount of rent and/or housing ineligible tenants. The Housing Authority is not in compliance with HUD regulations.

WASHINGTON PARISH GOVERNMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued
For the Year Ended December 31, 2015

Recommendation

The Housing Authority should develop and implement internal control procedures, systems and controls to ensure compliance with regard to HUD regulations.

Management's Response

See management's corrective action plan.

WASHINGTON PARISH GOVERNMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2015

	<u>RESOLUTION</u>
SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
None noted.	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
2014-001 Payable to GOHSEP for FEMA overpayment	Resolved
SECTION III - MANAGEMENT LETTER	
None issued.	



WASHINGTON PARISH

Richard N. Thomas, Jr., Parish President

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* * * *
www.wpgov.org

June 10, 2016

**CORRECTIVE ACTION PLAN
FEDERAL AWARD FINDINGS
December 31, 2015**

Louisiana State Legislative Auditor

Washington Parish Government respectfully submits to you the following corrective action plan for the Federal Award Findings for the year ended December 31, 2015.

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

Audit period: January 1, 2015– December 31, 2015

COMPLIANCE AND OTHER MATTERS FINDINGS

2015-1

Criteria:

As a condition of admission or continued occupancy, the Housing Authority must require that the tenant and other family members provide necessary information, documentation and releases for the authority to verify income eligibility (24 CFR 5.230, 5.609 and 982.516). The

Housing Authority must properly re-examine family income and composition every twelve months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR 982.516)

Condition:

In our test of files we found:

- Some files where the Housing Authority used the EIV (enterprise income verification) income report to calculate wage income. The EIV report serves only as verification of employment and is not to be used to calculate income. The files did not include the required third party verification of income at the time of payment.
- Some files did not contain Citizen Declaration Forms at the time of payment.
- It was noted that in one case, current staff was unable to locate tenant file records.

Cause:

The Housing Authority did not implement procedures and controls to ensure compliance.

Effect:

The Housing Authority may be charging an incorrect amount of rent and/or housing ineligible tenants.

Recommendation:

The Housing Authority should develop and implement internal control procedures, systems and controls to ensure compliance with regard to HUD regulations.

Management's Response:

Washington Parish Government (WPG) agrees with the finding and recommendation noted above. The WPG assumed management and financial responsibility of the Housing Authority of Washington Parish on January 1, 2015, after several years of deficient audits and numerous programmatic findings. WPG gave the Board and Executive Director every opportunity to correct their deficiencies and bring the agency into compliance with HUD regulations. Upon taking over the Housing Authority, WPG contracted with the Tangipahoa Parish Housing Authority to provide management services in an effort to preserve the program for Washington Parish Citizens and operate in compliance with the HUD Section 8 Housing regulations.

The file deficiencies referred to in the auditor's finding were inherited by WPG, this issue existed under the prior administration. A new Tenant file has been created at the interim or annual recertification time, utilizing the appropriate third party verifications to calculate income along with the EIV report. All files were updated throughout the year and necessary adjustments to rents were made at the time discovered for current month and retroactively. Internal Control procedures are in place to assure that programmatic

regulations are followed concerning income verification and other HUD qualifications, with proper documentation in each Landlord and Tenant's file.

The Citizen Declaration Form is a form required by HUD, and we are verifying that all tenant files contain it. The files absent of this form requested by our auditors, had not yet been updated, as their recertification dates were later in the current year.

The one tenant file that could not be located by current staff for the auditors, was, again, from the prior administration. As we have discovered the absence of a file for a tenant, we have made a new file; obtaining all the required information from the tenant and landlord, and, if necessary, Housing Assistance and Utility Assistance payments have been withheld until all documents requested have been submitted to the agency.