

FUND FINANCIAL STATEMENTS (FFS)

WASHINGTON PARISH GOVERNMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

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

The accompanying notes are an integral part of this statement.

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

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

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

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to the pension plans, deferred outflows of resources and deferred inflows of resources are not recorded in governmental funds

Net pension liability	(26,967)
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Deferred outflows of resources:

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

Deferred inflows of resources:

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

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

For the Year Ended December 31, 2020

	General Fund	Criminal Justice Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	HMGP Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes								
Ad valorem	\$ 591,363	\$ -	\$ 2,957,364	\$ -	\$ -	\$ -	\$ 1,829,259	\$ 5,377,986
Sales	-	1,617,545	2,252,054	2,552,526	2,072,679	-	-	8,494,804
Other	48,967	-	173,698	-	-	-	106,591	329,256
Licenses and permits	1,165,799	-	-	-	-	-	-	1,165,799
Intergovernmental federal funds								
Federal grants	501,480	-	146,983	-	353,260	1,958,784	684,881	3,645,388
State funds								
Parish transportation funds	-	-	548,899	-	-	-	-	548,899
State revenue sharing	40,404	-	50,818	-	-	-	107,542	198,764
Other	717,884	-	70,679	-	34,737	-	136,485	959,785
Insurance proceeds	-	-	17,245	-	-	-	-	17,245
Fees, charges, etc.	540,110	-	-	-	-	-	75,809	615,919
Fines and penalties	-	-	-	-	-	-	157,771	157,771
Interest income	5,072	411	21,541	1,252	8,099	-	15,925	52,300
Other	9,600	14,638	1,947	-	-	-	11,922	38,107
TOTAL REVENUES	3,620,679	1,632,594	6,241,228	2,553,778	2,468,775	1,958,784	3,126,185	21,602,023

EXPENDITURES								
Current								
General government								
Legislative	198,508	-	-	-	-	-	-	198,508
Judicial	226,133	907,007	-	-	-	-	372,588	1,505,728
Executive	282,544	-	-	-	-	-	-	282,544
Elections	285,572	-	-	-	-	-	-	285,572
Finance and administrative	695,205	23,821	347,310	138,198	116,944	-	144,712	1,466,190
Other	837,405	-	-	-	-	-	-	837,405
Public Safety	304,896	635,800	-	-	-	-	204,476	1,145,172
Health and welfare	179,470	-	-	-	-	-	664,107	843,577
Highway and streets	-	-	4,242,929	-	34,736	-	-	4,277,665
Culture and recreation	81,935	-	-	-	-	-	995,910	1,077,845

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Net change in fund balances – total governmental funds \$ 3,067,645

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

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 463,975

The change in post-employment benefits obligation and associated deferred outflows are reported in the statement of activities but does not require the use of current resources and is not reported as an expenditure in governmental funds. (76,908)

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

Net change in pension expense (516,919)
Contributions from non-employer contributing entities 46,358

Some expenditures reported in the governmental funds are not reported as expenses in the statement of activities. 10,853

Change in net position of governmental activities \$ 3,068,287

WASHINGTON PARISH GOVERNMENT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

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

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH GOVERNMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

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

The accompanying notes are an integral part of this statement.

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

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

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

INTRODUCTION

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

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

Washington Parish covers an area of 676 square miles with a population of approximately 47,168. The Parish Government maintains 996 miles of roads, of which 302 miles are asphalt, 490 miles are 3-shot, and 204 miles are gravel.

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

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61 and GASB Statement No. 80, establishes criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

These criteria include:

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

INTRODUCTION (Continued)

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

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

BLENDED COMPONENT UNITS

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

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

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

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.

OTHER COMPONENT UNITS

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

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

Considered in the determination of component units of the reporting entity were the Washington Parish School Board and various municipalities in the Parish. It was determined that these governmental entities are not component units of the Washington Parish Government reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Washington Parish Government.

Primary government officials may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as (a) related organizations as follows:

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements include the following:

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

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

A. Government-Wide and Fund Financial Statements

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Washington Parish Government reports the following major governmental funds:

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

The **Criminal Justice Sales Tax Fund** is a special revenue fund which accounts for the .33% sales and use tax dedicated solely for providing, maintaining, administering and operating services and facilities in the civil, juvenile and criminal justice systems mandated by state statute, approved by voters on October 19, 2013 for a period of 10 years, effective January 1, 2014.

The **Parish Transportation Fund** is a special revenue fund which accounts for constructing, improving, and maintaining public roads and bridges in the Parish. Financing is provided by the State of Louisiana Parish Transportation Fund, ad valorem taxes, and state revenue sharing funds. The 4.13 mill ad valorem tax expires in 2026 and the 10 mill ad valorem tax expires in 2031.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The **Road Improvement Fund** accounts for the constructing, improving and resurfacing of public roads and bridges in the Parish including incidental drainage and the acquisition of equipment thereof. The .33% sales and use tax is the primary source of funding as approved by Washington Parish Resolution 16-742.

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

The Washington Parish Government reports the following major proprietary funds:

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

The **Choctaw Road Landfill Fund** is an enterprise fund that accounts for the operations of the Choctaw Road Landfill, a solid waste disposal landfill.

The Parish Government was a participant with the City of Bogalusa (the City) to construct and operate the Choctaw Road Landfill, a solid waste disposal landfill, which operated as a joint venture during the year ended December 31, 2019. In May 2020, an Act of Sale was signed transferring ownership of the Landfill to the Parish Government, thus dissolving the Joint Venture agreement between the Parish Government and the City of Bogalusa, effective December 31, 2019.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

WASHINGTON PARISH GOVERNMENT

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Deposits and Investments

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

D. Receivables

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

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

E. Capital Assets

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

Governmental activities:

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

Business-type activities:

<u>Description</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Lives</u>
Landfill property	\$1,000	53.75 years
Cells and land work	\$1,000	6-20 years
Buildings/drop off facility	\$1,000	34-45 years
Equipment	\$1,000	5-15 years

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

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

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

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

F. Encumbrances

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

G. Compensated Absences

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

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

WASHINGTON PARISH GOVERNMENT

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences (Continued)

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

Sick leave accrues at one day per month with a maximum accumulation of 60 days and is not paid upon termination, but may be paid out at retirement. Upon application for retirement by an employee who has served the Parish for 20 years or more, the employee may be paid accrued sick leave not to exceed 72 days.

Employees may opt to convert any accumulated, unused and unpaid sick or annual leave to additional retirement benefit credit upon application for normal retirement with the Parochial Employees' Retirement System of Louisiana.

H. Long-Term Liabilities

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

I. Fund Equity

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

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

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

WASHINGTON PARISH GOVERNMENT

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Interfund Transactions

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

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

K. Estimates

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

L. Sales Taxes Changes

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

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Sales Taxes Changes (Continued)

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

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

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

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

Washington Parish Government Collections on Behalf of Other Taxing Authorities

	<u>Annual Totals – 2020 Tax Period</u>	
	<u>Total</u>	<u>Final</u>
	<u>Collections</u>	<u>Distribution</u>
Town of Franklinton (15%)	\$ 108,000	\$ 108,000
Village of Angie (1%)	7,200	7,200
Village of Varnado (1%)	<u>7,200</u>	<u>7,200</u>
Totals	<u>\$ 122,400</u>	<u>\$ 122,400</u>

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

WASHINGTON PARISH GOVERNMENT

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Sales Taxes Changes (Continued)

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

On October 19, 2013, the voters approved a .33% sales and use tax, to be collected parish-wide, except in the Town of Franklinton, dedicated solely for providing, maintaining, administering and operating services and facilities in the civil, juvenile and criminal justice systems mandated by state statute, for a period of ten (10) years. The tax was levied beginning January 1, 2014.

M. Intangible Assets

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

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

3. LEVIED TAXES

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

	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide Taxes:		
General Fund:		
Inside	1.85	Indefinite
Outside	3.70	Indefinite
Special Revenue Funds:		
Library	4.60	2026
Parish Transportation	4.13	2026
Road Improvement	10.00	2031
Courthouse Maintenance	1.03	2026
Health Unit Maintenance	<u>3.11</u>	2026
	<u>28.42</u>	

4. CASH AND INVESTMENTS

Cash

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

4. CASH AND INVESTMENTS (Continued)

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

At December 31, 2020, the Parish Government had \$10,723,720 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$12,985,559 pledged securities.

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

Investments

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

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

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

WASHINGTON PARISH GOVERNMENT

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

4. CASH AND INVESTMENTS (Continued)

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

5. RECEIVABLES

Governmental Activities

The receivables of \$7,367,208 at December 31, 2020, were as follows:

Class of Receivable	Governmental Activities						Total
	General Fund	Criminal Justice Sales Tax Fund	Parish Transportation Fund	Sales Tax Split .67% Fund	Road Improvement Fund	Other Governmental Funds	
Taxes:							
Ad Valorem	\$ 559,853	\$ -	\$ 2,797,226	\$ -	\$ -	\$ 1,755,820	\$ 5,112,899
Sales and Use	-	286,637	610,861	508,532	330,185	-	1,736,215
Intergovernmental:							
State	157,527	-	41,007	-	-	130,220	328,754
Local	42,114	1,498	70,679	-	34,736	40,313	189,340
TOTAL	<u>\$ 759,494</u>	<u>\$ 288,135</u>	<u>\$ 3,519,773</u>	<u>\$ 508,532</u>	<u>\$ 364,921</u>	<u>\$ 1,926,353</u>	<u>\$ 7,367,208</u>

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

Business-type Activities

Accounts receivable consists of one type of receivable. Tipping fees (landfill use fees) totaling \$401,292 represent fees billed through December 31, 2020, but not yet collected. The allowance for doubtful accounts on these receivables at December 31, 2020 was \$4,012.

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

6. NOTES RECEIVABLE

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

Notes receivable, December 31, 2020:

Breedlove Farm, L.L.C.	\$ 872,187
Smith Creamery, L.L.C.	5,467
Allowance for doubtful account	<u>(872,187)</u>
Notes receivable, net of allowance for doubtful account	<u>\$ 5,467</u>

7. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Washington Parish Government to place a final cover on the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the Landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the Landfill no longer accepts waste. The recognition of these Landfill closure and post-closure care costs is based on the amount the Landfill used during the year.

The estimated total current cost liability for landfill closure and post-closure care costs is \$2,444,149 as of December 31, 2020. It is estimated that \$981,751 will be recognized as closure costs, which is based on 58.60% usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate, and the related estimated liability for landfill closure and post-closure costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations. The remaining \$1,462,398 is the estimated liability for post-closure care costs. The estimated total current cost liability for landfill closure and post-closure care costs, after adjusting for present worth, is \$2,059,648 as of December 31, 2020. However, the actual costs of closure and post-closure care may be higher due to inflation, in excess of the assumed rate of 1%, over the 30-year post-closure period, changes in technology, or changes in landfill laws and regulations.

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

There was a decrease in costs between the end of 2019 and the end of 2020.

WASHINGTON PARISH GOVERNMENT

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

7. CLOSURE AND POST-CLOSURE CARE COSTS - Continued

Cumulative capacity used is defined as the number of years the Landfill has actually been operating under the permit issued by the LDEQ. Total estimated capacity is defined as the life of the entire property as stated in the current permit issued by LDEQ.

The estimated total current costs of the Landfill are recognized as an expense and as a liability in each period that the Landfill accepts solid waste. The current-period amount was based on the following formula:

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

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

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

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

8. CAPITAL ASSETS

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

Business-type Activities:

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

8. CAPITAL ASSETS (Continued)

Governmental Activities

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

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

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

8. CAPITAL ASSETS (Continued)

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

9. INTERFUND TRANSFERS

Details about interfund transfers from other funds during 2020 follow:

	General Fund	Parish Transportation Fund	Transfers In: Criminal Justice Sales Tax Fund	Nonmajor Governmental Funds	Choctaw Road Landfill - Enterprise Fund	Total
Transfers Out:						
General Fund	\$ -	\$ -	\$ 175,000	\$ 170,000	\$ -	\$ 345,000
Sales Tax Split .67 Fund	500,000	108,000	-	-	1,100,000	1,708,000
Nonmajor Governmental Funds	<u>282</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>426,498</u>	<u>441,780</u>
TOTAL	<u>\$ 500,282</u>	<u>\$ 108,000</u>	<u>\$ 175,000</u>	<u>\$ 185,000</u>	<u>\$ 1,526,498</u>	<u>\$ 2,494,780</u>

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

10. ON-BEHALF PAYMENTS

GASB Statement No. 24 establishes accounting and financial reporting standards for passthrough grants and on-behalf payments for fringe benefits and salaries. During the year 2020, the state paid salaries of \$240,715 directly to Parish Government employees on behalf of Parish Government. This amount has been included in the financial statements in intergovernmental revenues and salaries expenditures.

WASHINGTON PARISH GOVERNMENT

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

11. CHANGES IN GENERAL LONG-TERM LIABILITIES

Governmental Activities

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

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

Business-type Activities

The Choctaw Road Landfill Fund has \$22,246 accrued for compensated absences as of December 31, 2020 which is recorded in accounts payable and accrued expenses.

12. PENSION PLAN

Substantially all employees of the Parish are members of the Parochial Employees' Retirement System (PERS).

General Information about the Pension Plan

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

Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.50% of their annual pay. The Parish's contractually required contribution rate was 12.25% for the period ended December 31, 2020.

WASHINGTON PARISH GOVERNMENT

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

12. PENSION PLAN (Continued)

General Information about the Pension Plan (continued)

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

Benefits Provided – The System provides retirement, disability, and death benefits. Retirement benefits are determined as 3.0% of the employee's final compensation multiplied by the employee's years of creditable service. Employees hired prior to January 1, 2007 who retire at or after age 65 with at least 7 years of creditable service, age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average compensation multiplied by his/her years of creditable service. Employees hired after January 1, 2007 who retire at or after age 67 with at least 7 years of creditable service, age 62 with at least 10 years of creditable service, or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average compensation multiplied by his/her years of creditable service. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

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

At December 31, 2020, the Parish reported a liability of \$26,967 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Parish's proportion of the net pension liability was based on a projection of the Parish's December 31, 2020 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Parish's proportion was 0.572863%, which was an increase of 0.015913% from its proportion measured as of December 31, 2018. For the year ended December 31, 2020, the Parish recognized pension expense of \$516,919. At December 31, 2020, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON PARISH GOVERNMENT

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

12. PENSION PLAN (Continued)

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

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

\$408,022 is reported as deferred outflows of resources related to pensions resulting from the Parish’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ended:</u>	
December 31, 2021	\$ (185,297)
December 31, 2022	(243,086)
December 31, 2023	31,875
December 31, 2024	(455,108)

Actuarial Assumptions - The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.40%
Projected Salary Increases:	4.75% (2.40% Inflation, 2.35% Merit)
Investment Rate of Return:	6.50%, net of investment expense, including inflation

Mortality Rate: Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

WASHINGTON PARISH GOVERNMENT

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

12. PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35.00%	1.05%
Equity	52.00%	3.41%
Alternatives	11.00%	0.61%
Real Assets	<u>2.00%</u>	<u>0.11%</u>
Total	100.00%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

WASHINGTON PARISH GOVERNMENT

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

12. PENSION PLAN (Continued)

Mortality Rate - The mortality rate assumption used in the December 31, 2019, valuation was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity of the Parish's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the Parish's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Parish's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
The Parish's Proportionate Share of the Net Pension Liability	\$ 2,914,665	\$ 26,967	\$(2,392,867)

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

Payables to the Pension Plan – As of December 31, 2020 the Parish had a payable of \$212,454 to the Pension Plan.

WASHINGTON PARISH GOVERNMENT

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

13. FUND BALANCES

Governmental Funds:

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

14. RISK MANAGEMENT

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

15. COMPENSATION PAID TO PARISH PRESIDENT AND PARISH COUNCIL

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

WASHINGTON PARISH GOVERNMENT

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

16. LITIGATION

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

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

17. CONTINGENT LIABILITY

In the audit report of Washington Parish Government for the year ended December 31, 2003, there was a "questioned cost" concerning an \$872,187 bad debt expense on a loan made with the proceeds of a U.S. Department of Agriculture (USDA) revolving loan fund grant. In 2005, the USDA and the Office of the Louisiana Legislative Auditor began looking into this matter. Because of the inherent nature of "questioned costs," the USDA could possibly ask the Parish Government for partial or full reimbursement sometime in the future. However, the ultimate outcome is unknown at this time. Accordingly, no liability has been recorded in these financial statements.

18. GRANTS FROM OTHER GOVERNMENTAL UNITS

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

Some of the grants received by the Parish Government specify the purpose for which the grant monies are to be used and such grants are subject to audit by the granting agency. This audit report contains the following significant grant expenditures which have been expended as of December 31, 2020:

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

WASHINGTON PARISH GOVERNMENT

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

19. POST EMPLOYMENT BENEFITS

HEALTH INSURANCE

Plan Description

In accordance with the revised and restated employee handbook adopted by ordinance 19-661 in 2020, the Parish provides health care benefits to its employees upon retirement. Health coverage includes a fully insured group health maintenance plan (PPO).

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

The Parish has implemented GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) effective December 31, 2018. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.

The Parish has fewer than 100 plan members and meets the requirements to use the alternative measurement method in lieu of an actuarial evaluation, and elects to do so. The Parish will use the following method:

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	30
	<u>30</u>

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

Total OPEB Liability

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

WASHINGTON PARISH GOVERNMENT

NOTES TO THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS (Continued)

As of and for the Year Ended December 31, 2020

19. POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and other inputs – The total OPEB liability as of December 31, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.12%

The discount rate was based on the bond buyers' 20 Year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher, as of December 31, 2020, the end of the applicable measurement period.

Healthcare Cost Trend Rate

The expected rate of increase in medical costs is based on projections performed by the Office of Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2019 – 2028, Table 3 - National Health Expenditures; Aggregate and per Capita Amounts, Percent Distribution and Annual Percent Change by Source of Funds: Calendars Years 2012 – 2028, released by the Health Care Financing Administration (www.cms.gov). Graduated rates for 2019 through 2028 were used from this table with an ultimate annual rate of 6.0% for 2028 and later. The current medical premium is \$1,192 per month which is paid at 100% by the Parish.

Turnover

The probability that an employee will remain employed until the assumed retirement age was determined using non-group-specific age-based turnover data adapted from data maintained by the U.S. Office of Personnel Management regarding the experience of employee group covered by Federal Employees Retirement System. These probabilities were provided in the GASB Statement 75.

Mortality

As recommended in GASB 75, the life expectancies are based on mortality tables at the National Center for Health Statistics website (www.cdc.gov). The 2015 United States Life Tables for Males and United States Life Tables for Females were used. Life expectancies that included partial years were rounded to the nearest whole year. The calculation of postemployment health insurance coverage for each year is based on the assumption that all participants will live until their expected age.

WASHINGTON PARISH GOVERNMENT

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

19. POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$	1,037,321
Changes for the year:		
Service cost		48,107
Interest		1,020
Amortization component		27,781
Changes in assumptions		(187,432)
Net changes		(110,524)
 Balance at December 31, 2020	 \$	 <u>926,797</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90%) or 1-percentage-point higher (6.90%) than the current discount rate:

	1.0% Decrease (4.90%)	Current Healthcare Cost Trend Rate (5.90%)	1.0% Increase (6.90%)
Total OPEB liability	\$ 762,775	\$ 926,797	\$ 1,106,458

OPEB Expense

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

WASHINGTON PARISH GOVERNMENT

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

20. COMMITMENTS

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

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

21. COVID-19

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

22. SUBSEQUENT EVENTS

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