

WEST BATON ROUGE PARISH PUBLIC UTILITY
PORT ALLEN, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2024 AND 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>		1 – 4
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>		5 – 7
<u>BASIC FINANCIAL STATEMENTS:</u>		
Statements of Net Position.....	A	8
Statements of Revenues, Expenses and Changes in Net Position	B	9
Statements of Cash Flows	C	10
<u>NOTES TO FINANCIAL STATEMENTS</u>		11 – 37
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>		
	<u>SCHEDULE</u>	
Schedule of Changes in Net OPEB Liability and Related Ratios	1	38
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset).....	2	39
Schedule of Employer's Pension Contributions	3	40
Notes to Required Supplementary Schedules		41
<u>SUPPLEMENTARY INFORMATION</u>		
	<u>SCHEDULE</u>	
Schedule of Changes in Sewer Revenue Bond Restricted Funds	4	42
Schedule of Per Diem Paid to Board Members	5	43
Schedule of Compensation Paid to Chief Executive	6	44
<u>OTHER INFORMATION</u>		
	<u>SCHEDULE</u>	
Operating Statistics.....	7	45 – 46
<u>OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS</u>		
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 <i>Government Auditing Standards</i>		47 – 48
Schedule of Findings and Responses.....	8	49
Schedule of Prior Year Findings.....	9	50



INDEPENDENT AUDITORS' REPORT

West Baton Rouge Parish Public Utility
City of Port Allen, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the West Baton Rouge Parish Public Utility, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise of the West Baton Rouge Parish Public Utility's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the West Baton Rouge Parish Public Utility, as of December 31, 2024 and 2023, and the changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Baton Rouge Parish Public Utility and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



West Baton Rouge Parish Public Utility
City of Port Allen, Louisiana
May 21, 2025

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Baton Rouge Parish Public Utility's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



West Baton Rouge Parish Public Utility
City of Port Allen, Louisiana
May 21, 2025

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Baton Rouge Parish Public Utility's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 7, the schedule of changes in net OPEB liability and related ratios (Schedule 1), schedule of employer's proportionate share of the net pension liability (asset) (Schedule 2) and the schedule of employer's pension contributions (Schedule 3), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental 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, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise West Baton Rouge Parish Public Utility's basic financial statements. The schedules of changes in sewer revenue bond restricted funds (schedule 4) and per diem paid to board members (Schedule 5) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of compensation, benefits and other payments to chief executive (Schedule 6) is presented to comply with the requirements issued by the State of Louisiana and is not a required part of the basic financial statements. Schedules 4, 5 and 6 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves,



West Baton Rouge Parish Public Utility
City of Port Allen, Louisiana
May 21, 2025

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed as “other supplementary information” in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information accompanying the basic financial statements, which comprises the schedule of operating statistics (schedule 7). Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2025, on our consideration of West Baton Rouge Parish Public Utility’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West Baton Rouge Parish Public Utility’s 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 West Baton Rouge Parish Public Utility’s internal control over financial reporting and compliance.

May 21, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

WEST BATON ROUGE PARISH PUBLIC UTILITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023

The Management's Discussion and Analysis of the West Baton Rouge Parish Public Utility's (the Utility) financial performance presents a narrative overview and analysis of the Utility's financial activities for the year ended December 31, 2024. This document focuses on the current activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the additional information contained in the Utility's financial statements, which begins on page 8.

FINANCIAL HIGHLIGHTS

The Utility's total net position increased by \$1,341,492 or 3.3%.

The operating revenues of the Utility decreased by \$463,350 or 5.6%.

The operating expenses of the Utility decreased by \$216,901 or 2.5%.

OVERVIEW OF THE FINANCIAL REPORT

This financial report consists of four parts: Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, Other Supplementary Information, and Other Information. Other than the MD&A, the Utility's required supplementary information includes the Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Employer's Proportionate Share of Net Pension Liability (Asset), Schedule of Employer's Pension Contributions, and Notes to Required Supplementary Information. These reports fulfill the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by the Governmental Accounting Standards Board in GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis-for State and Local Governments*.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information about the Utility's activities and financial position, in a manner similar to private-sector businesses. The statements in this section include the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows and related notes to the financial statements.

The Statements of Net Position (Statement A) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the West Baton Rouge Parish Public Utility is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position (Statement B) presents information on how the Utility's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future fiscal periods

WEST BATON ROUGE PARISH PUBLIC UTILITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2024 AND 2023

The Statements of Cash Flows (Statement C) presents information on how the Utility's cash changed as a result of current operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

The following presents condensed financial information on the operations of the Utility.

	2024	2023	2022
Current assets	\$ 9,534,257	\$ 9,228,891	\$ 8,549,659
Restricted assets	1,284,788	1,256,067	1,286,152
Net pension asset	-	-	1,345,780
Capital assets	<u>38,046,921</u>	<u>36,610,141</u>	<u>37,570,360</u>
Total assets	<u>48,865,966</u>	<u>47,095,099</u>	<u>48,751,951</u>
Deferred outflows	<u>1,754,193</u>	<u>2,701,528</u>	<u>1,487,354</u>
Current liabilities	2,936,575	2,279,082	2,543,330
Noncurrent liabilities	<u>5,140,594</u>	<u>6,373,006</u>	<u>4,921,031</u>
Total liabilities	<u>8,077,169</u>	<u>8,652,088</u>	<u>7,464,361</u>
Deferred inflows	<u>1,741,570</u>	<u>1,684,611</u>	<u>3,112,934</u>
Net investment in capital assets	37,445,884	35,993,764	36,941,320
Restricted for debt service	12,116	18,335	57,701
Unrestricted	<u>3,343,420</u>	<u>3,447,829</u>	<u>2,662,989</u>
Total net position	<u>\$ 40,801,420</u>	<u>\$ 39,459,928</u>	<u>\$ 39,662,010</u>
Operating revenues	\$ 7,813,515	\$ 8,276,865	\$ 10,950,596
Operating expenses	<u>8,585,056</u>	<u>8,801,957</u>	<u>11,007,140</u>
Operating income (loss)	(771,541)	(525,092)	(56,544)
Non-operating revenues (expenses)	<u>381,143</u>	<u>323,010</u>	<u>45,698</u>
Contributions and transfers	<u>1,731,890</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 1,341,492</u>	<u>\$ (202,082)</u>	<u>\$ (10,846)</u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2024 AND 2023

CAPITAL ASSETS AND DEBTS

Capital Assets

The Utility's investment in capital assets as of December 31, 2024, amounts to \$38,046,921 (net of accumulated depreciation). This investment in capital assets includes land, right of ways, buildings and operating facilities, office furniture and equipment, and vehicles. The Utility's investment in capital assets for the current fiscal year increased by 4.60%.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 240,250	\$ 240,250	\$ 240,250
Buildings and operating facilities	527,440	509,373	509,373
Natural gas system	6,405,257	6,175,417	6,147,082
Water system	31,520,237	29,607,327	29,564,984
Sewer system	25,219,055	25,162,375	24,924,652
Office, furniture and equipment	1,871,633	1,694,398	1,684,298
Vehicles	1,219,082	1,088,257	983,882
Construction in progress	<u>654,729</u>	<u>204,853</u>	<u>78,750</u>
	67,657,683	64,682,250	64,133,271
Less accumulated depreciation	<u>29,610,762</u>	<u>28,072,109</u>	<u>26,562,911</u>
	<u><u>\$ 38,046,921</u></u>	<u><u>\$ 36,610,141</u></u>	<u><u>\$ 37,570,360</u></u>

Additional information on the Utility's capital assets can be found in note 4 of the financial statements.

Debts

The Utility has not financed purchases or activities through external borrowing or incurring debt, during the current fiscal year. Obligations include the sewer system revenue bonds, compensated absences earned and accumulated by employees as well as a liability recorded for other postemployment benefits and pension liabilities, which are described in the notes to the financial statements.

CONTACTING THE UTILITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Utility's finances and to demonstrate the Utility's accountability for the money it receives. If you have any questions about this report or need additional information, contact Adrian Genre, Director, West Baton Rouge Parish Public Utility. Mr. Genre can be reached by phone at (225) 490-8520.

WEST BATON ROUGE PARISH PUBLIC UTILITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

Statement "A"

<u>ASSETS:</u>	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 4,686,353	\$ 4,410,802
Investments	3,356,869	3,227,419
Accounts receivable	1,472,509	1,563,501
Accrued interest receivable	9,749	18,392
Prepaid expenses	8,777	8,777
Total current assets	<u>9,534,257</u>	<u>9,228,891</u>
Restricted Assets		
Customers' deposits	1,272,672	1,237,732
Revenue bond restricted funds	12,116	18,335
Total restricted assets	<u>1,284,788</u>	<u>1,256,067</u>
Noncurrent Assets		
Property and equipment, net of accumulated depreciation	38,046,921	36,610,141
Total noncurrent assets	<u>38,046,921</u>	<u>36,610,141</u>
Total assets	<u>48,865,966</u>	<u>47,095,099</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>1,754,193</u>	<u>2,701,528</u>
Total assets and deferred outflows of resources	<u>50,620,159</u>	<u>49,796,627</u>
<u>LIABILITIES:</u>		
Current Liabilities - (Payable from Current Assets)		
Accounts payable	622,402	512,058
Accrued and withheld taxes and expenses	168,866	126,626
Compensated absences - Current	99,932	-
Payable to other systems and the Parish Council	643,263	273,935
Payable to the State of Louisiana	113,467	113,467
Total current liabilities (Payable from Current Assets)	<u>1,647,930</u>	<u>1,026,086</u>
Current Liabilities - (Payable from Restricted Assets)		
Meter deposits	1,272,672	1,237,732
Current portion of sewer revenue bond and accrued interest	15,973	15,264
Total current liabilities (Payable from Restricted Assets)	<u>1,288,645</u>	<u>1,252,996</u>
Noncurrent Liabilities		
Sewer revenue bond	586,073	601,113
Compensated absences	103,940	156,608
Other postemployment benefits	4,211,573	4,526,158
Net pension liability	239,008	1,089,127
Total noncurrent liabilities	<u>5,140,594</u>	<u>6,373,006</u>
Total liabilities	<u>8,077,169</u>	<u>8,652,088</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>1,741,570</u>	<u>1,684,611</u>
Total liabilities and deferred inflow of resources	<u>9,818,739</u>	<u>10,336,699</u>
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	37,445,884	35,993,764
Restricted for debt services	12,116	18,335
Unrestricted	3,343,420	3,447,829
Total net position	<u>\$ 40,801,420</u>	<u>\$ 39,459,928</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

WEST BATON ROUGE PARISH PUBLIC UTILITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS END DECEMBER 31, 2024 AND 2023

	2024	2023
<u>OPERATING REVENUES:</u>		
Gas sales	\$ 3,190,580	\$ 3,540,333
Water sales	3,346,361	3,460,147
Penalties	94,721	102,064
Extension and connection charges	158,634	157,747
Sewer income	778,628	758,877
Other income	244,591	239,851
Grant income	-	17,846
	<hr/>	<hr/>
Total operating revenues	7,813,515	8,276,865
	<hr/>	<hr/>
<u>OPERATING EXPENSES:</u>		
Gas purchases	1,857,950	1,981,836
Salaries and wages	2,254,810	2,085,783
Depreciation	1,538,653	1,509,198
Meter and system repairs and supplies	318,386	449,280
Sewer expenses	179,652	149,445
Bad debts	64,701	31,678
Cathodic protection	3,419	8,941
Equipment rental, repair and service contracts	312,692	338,017
Operator qualifications	21,415	58,095
Employee benefit insurance	628,420	564,278
Retirement expense	102,110	490,310
Insurance and surety bonds	251,240	121,710
Capital outlay and acquisitions	296,137	-
Miscellaneous	20,840	20,007
Office supplies and postage	155,200	147,045
Payroll taxes	34,142	34,975
Professional services	42,442	248,333
Telephone and utilities	502,847	563,026
	<hr/>	<hr/>
Total operating expenses	8,585,056	8,801,957
	<hr/>	<hr/>
Operating income (loss)	(771,541)	(525,092)
	<hr/>	<hr/>
<u>NON-OPERATING REVENUES (EXPENSES):</u>		
Interest on investments and savings	399,880	350,234
Gain (loss) on disposal of assets	7,875	-
Interest expense	(26,612)	(27,224)
	<hr/>	<hr/>
Total non-operating revenues (expenses)	381,143	323,010
	<hr/>	<hr/>
Income (Loss) before contributions and transfers	(390,398)	(202,082)
	<hr/>	<hr/>
Capital contributions and transfers	1,731,890	-
	<hr/>	<hr/>
Change in net position	1,341,492	(202,082)
	<hr/>	<hr/>
Net position - beginning of the year	39,459,928	39,662,010
	<hr/>	<hr/>
Net position - end of the year	\$ 40,801,420	\$ 39,459,928
	<hr/>	<hr/>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

WEST BATON ROUGE PARISH PUBLIC UTILITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS END DECEMBER 31, 2024 AND 2023

	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers	\$ 7,624,976	\$ 8,451,226
Receipts from others	244,591	257,697
Payments to suppliers and providers	(4,388,931)	(5,277,623)
Payment to employees	(2,207,546)	(2,071,041)
Net cash provided(used) by operating activities	1,273,090	1,360,259
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Acquisition and construction of capital assets	(1,243,542)	(548,979)
Proceeds from sale of assets	7,875	-
Long-term debt repaid	(14,307)	(13,697)
Interest paid	(26,637)	(27,247)
Net cash provided (used) by capital and related financing activities	(1,276,611)	(589,923)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest and dividends on investments	408,522	345,233
Increase in certificates of deposit	(129,450)	(94,003)
Net cash provided by (used in) investing activities	279,072	251,230
Net increase (decrease) in cash and cash equivalents	275,551	1,021,566
Cash and cash equivalents - beginning of year	4,410,802	3,389,236
Cash and cash equivalents - end of year	\$ 4,686,353	\$ 4,410,802
Classified as:		
Current	\$ 4,686,353	\$ 4,410,802
Restricted	1,284,788	1,256,067
Total	\$ 5,971,141	\$ 5,666,869
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>		
Cash paid in excess of interest expense	\$ 24	\$ 23
Capital assets contributed by West Baton Rouge Parish Council	\$ 1,731,890	\$ -
<u>Reconciliation of operating income to net cash provided (used) by operating activities:</u>		
Operating income (loss)	\$ (771,541)	\$ (525,092)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,538,653	1,509,198
Increase (decrease) in assets:		
Accounts receivable	90,992	441,338
Customers' deposits	(34,940)	(9,281)
Revenue bond restricted funds	6,219	39,366
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	110,345	(286,844)
Other payables	77,181	9,024
Payable to other systems	369,328	13,061
Accumulated unpaid vacation	47,264	14,742
OPEB and pension liability	(160,411)	154,747
Net cash provided by operating activities	\$ 1,273,090	\$ 1,360,259

See accompanying NOTES TO THE FINANCIAL STATEMENTS

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The West Baton Rouge Parish Public Utility (Utility) is operated as a proprietary (enterprise) fund of the West Baton Rouge Council. The Utility operates a water system, natural gas system, and sewer system serving residences and businesses in parts of West Baton Rouge Parish. The Utility extends credit to its customers. Customers are required to make a cash deposit or provide other forms of collateral before service begins.

Basis of Presentation

The Governmental Accounting Standards Utility (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. The principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity and component units that should be included within the reporting entity. The Utility is considered a component unit (enterprise fund) of the West Baton Rouge Parish Council because the Council ability to exercise oversight responsibility. The Utility has no component units. The accompanying financial statements present information only as to the transactions and the activities of the Utility.

Fund Accounting

All activities of the Utility are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Utility are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

The Utility uses the following practices in recording revenues and expenses:

Revenues

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expenses

Expenses are generally recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital Contributions

The Utility recognizes capital contributions, including nonexchange contributions of capital assets from the primary government or other entities, as revenue in the period in which the contribution is made. Such contributions are reported as capital contributions in the Statements of Revenues, Expense, and Changes in Net Position and disclosed as noncash capital and financing activities in the Statements of Cash Flows.

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, demand deposits, and certificates of deposit with original maturities of 90 days or less and are carried at cost which approximates market. U.S. treasuries and certificates of deposit with original maturities extending beyond 90 days are considered investments and are stated at fair market value.

Restricted Assets

Restricted assets include certain cash which are legally restricted as to their use. The restricted cash is held separately and restricted according to the applicable bond indenture agreements or held in trust for customer utility meter deposits.

Investments

State law and the Utility's investment policy allow the Utility to invest in collateralized certificates of deposit, government backed securities, state sponsored investment pool, and

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

mutual funds consisting solely of government backed securities. Investments are reported at their fair value.

The Utility categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Utility has the ability to access.

Level 2 – Inputs including

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to fair value measurement

Capital Assets

Capital assets consist of utility plant, equipment, vehicles and buildings and are capitalized at historical costs. Donated capital assets are recorded at fair market value when donated. These assets, net of accumulated depreciation, are included on the Statement of Net Position. The threshold for capitalizing assets is \$5,000. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

The useful lives are as follows:

Gas system	20-50 years
Water system	30-50 years
Sewer system	50 years
Utility equipment	5-10 years
Office equipment	5-10 years
Vehicles	4-6 years
Buildings	20 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Full-time, permanent employees of the Utility earn vacation and sick leave at varying rates based on years of service. Under the Utility's policy, employees may accumulate unused vacation and sick leave up to 40 days. In accordance with GASB Statement No. 101, a liability for compensated absences is recognized when the leave is earned and accumulated by employees. The liability is measured using the pay or salary rates in effect as of the financial reporting date.

Employees are compensated for up to 40 days of unused vacation leave at the time of termination or retirement. The portion of compensated absences liability expected to be paid within one year is reported as a current liability; the remainder is reported as a noncurrent liability in the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Long-term Obligations

Long term obligations at December 31, 2024 and 2023, include the sewer revenue bond, compensated absences, other post-employment benefit obligations and pension liabilities.

Other Post Employment Benefit Obligations

The West Baton Rouge Parish Public Utility follows GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This pronouncement requires the Utility to calculate and recognize other post-employment benefit obligations (OPEB) at December 31, 2024 and December 31, 2023. OPEB is, in general, the cumulative difference between the actuarial required contribution and the actual contributions. The West Baton Rouge Parish Public Utility makes annual contributions based upon council decisions.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees Retirement System of Louisiana (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources and Deferred Inflows of Resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

New Accounting Pronouncements

The GASB has issued Statement No. 100, “Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62”. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The Statement did not have a material effect on the Utility’s financial statements upon implementation.

The GASB has issued Statement No. 101, “Compensated Absences”. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. See Note 9 for further details on the adoption of the Statement.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events have been evaluated through May 21, 2025, which is the date the financial statements were issued.

(2) DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2024 the Utility has deposits totaling \$5,969,958 (book balances).

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 or exceed 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.

Custodial credit risk is the risk that in the event of a bank failure, the Utility's deposits may not be returned to it. The Utility does not have a deposit policy for custodial credit risk. At December 31, 2024, the Utility's bank balance of \$6,054,568 was not exposed to custodial credit risk.

Reconciliation

In order to accurately compare the cash shown on the combined balance sheet with carrying values of deposits and investments disclosed in the schedules above, the following is provided:

	<u>2024</u>	<u>2023</u>
Captions in Note 2		
Petty cash	\$ 1,183	\$ 1,183
Carrying value of bank deposits	<u>5,969,958</u>	<u>5,665,686</u>
Total	<u><u>\$ 5,971,141</u></u>	<u><u>\$ 5,666,869</u></u>
Captions on combined balance sheet:		
Cash and cash equivalents	\$ 4,686,353	\$ 4,410,802
Restricted cash and cash equivalents	<u>1,284,788</u>	<u>1,256,067</u>
Total	<u><u>\$ 5,971,141</u></u>	<u><u>\$ 5,666,869</u></u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(2) DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

At December 31, 2024, the Utility had investments in certificates of deposit.

The following table sets forth by level within the fair value hierarchy the Utility's certificate of deposit at estimated fair value as of December 31, 2024:

Type of Investment	Bank	Maturity Date	Category			Carrying Amount	Fair Value
			1	2	3		
CoD	Business First Bank	11/9/2025	\$ 3,356,869	\$ -	\$ -	\$ 3,356,869	\$ 3,356,869
			<u>\$ 3,356,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,356,869</u>	<u>\$ 3,356,869</u>

The following table sets forth by level within the fair value hierarchy the Utility's certificate of deposit at estimated fair value as of December 31, 2023:

Type of Investment	Bank	Maturity Date	Category			Carrying Amount	Fair Value
			1	2	3		
CoD	Business First Bank	11/9/2024	\$ 3,227,419	\$ -	\$ -	\$ 3,227,419	\$ 3,227,419
			<u>\$ 3,227,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,227,419</u>	<u>\$ 3,227,419</u>

Concentration of credit risk: 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 requires the investment portfolio to be diversified to eliminate the risk of loss of both principal and income resulting from the over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

Custodial credit risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Utility will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent, but not in the name of the Utility. Investments are limited by state law and the Parish investment policy. At December 31, 2024, the Utility's certificate of deposit balance of \$3,356,869 was not exposed to custodial credit risk.

Credit risk: The credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations (rating agencies) such as Standard & Poor's (S & P) and Moody's.

As of December 31, 2024, all of the Utility's purchased investments were in Certificates of Deposit with local banks and are not risk rated.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(2) DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics.

The Utility may invest such monies it has in any general fund or special funds which the management of the Utility and Parish Council, in their discretion, may determine to be available for investment and which are not specifically exempted or prohibited from investment under existing state or federal statutes.

(3) RESTRICTED ASSETS

Restricted assets consist of the checking accounts used to hold customers deposits and the funds required to be maintained under the terms of the Sewer Revenue Bond agreement.

The customers' deposits checking account is used to hold deposits made by customers to secure service from the West Baton Rouge Parish Public Utility. These funds can only be used to repay deposits to customers upon their termination of service.

The revenue bond restricted funds are accounts required to be maintained under the terms of the bond indenture of the outstanding Sewer Revenue Bonds Series 2010. They are as follows:

- A. The Revenue Bond Sinking Fund is to be used for paying principal and interest due on the Sewer Revenue Bond. Monthly deposits are required to be made into the account sufficient to pay principal and interest when due. Balances at December 31, 2024 and December 31, 2023 were \$2,863 and \$4,936, respectively.
- B. The Revenue Bond Reserve Fund is to be used solely for the purpose of paying the principal and interest on bonds payable from the Revenue Bond Sinking Fund which would otherwise be in default. Balances at December 31, 2024 and December 31, 2023 were \$4,627, and \$6,700, respectively. As of December 31, 2024 and December 31, 2023, this fund was adequately funded.
- C. The Depreciation and Contingency Fund is to be used to pay for any unforeseen repairs to the system. Balances at December 31, 2024 and December 31, 2023 were \$4,626, and \$6,699, respectively. As of December 31, 2024 and December 31, 2023, this was adequately funded.

These three accounts are shown on the balance sheet as Revenue Bond Restricted Funds. The three accounts totaled \$12,116 and \$18,335 at December 31, 2024 and December 31, 2023, respectively.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(4) CAPITAL ASSETS

Utility capital assets consisted of the following:

	Balance 12/31/2023	Additions	Deletions	Transfers	Balance 12/31/2024
Land and improvements	\$ 240,250	\$ -	\$ -	\$ -	\$ 240,250
Buildings and operating facilities	509,373	18,067	-	-	527,440
Natural gas system	6,175,417	229,840	-	-	6,405,257
Water system	29,607,327	1,912,910	-	-	31,520,237
Sewer system	25,162,375	56,680	-	-	25,219,055
Office, furniture and equipment	1,694,398	177,235	-	-	1,871,633
Vehicles	1,088,257	130,825	-	-	1,219,082
Construction in progress	204,853	449,876	-	-	654,729
	64,682,250	2,975,433	-	-	67,657,683
Less accumulated depreciation	28,072,109	1,538,653	-	-	29,610,762
	<u>\$ 36,610,141</u>	<u>\$ 1,436,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,046,921</u>

	Balance 12/31/2022	Additions	Deletions	Transfers	Balance 12/31/2023
Land and improvements	\$ 240,250	\$ -	\$ -	\$ -	\$ 240,250
Buildings and operating facilities	509,373	-	-	-	509,373
Natural gas system	6,147,082	28,335	-	-	6,175,417
Water system	29,564,984	42,343	-	-	29,607,327
Sewer system	24,924,652	237,723	-	-	25,162,375
Office, furniture and equipment	1,684,298	10,100	-	-	1,694,398
Vehicles	983,882	104,375	-	-	1,088,257
Construction in progress	78,750	126,103	-	-	204,853
	64,133,271	548,979	-	-	64,682,250
Less accumulated depreciation	26,562,911	1,509,198	-	-	28,072,109
	<u>\$ 37,570,360</u>	<u>\$ (960,219)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,610,141</u>

Cost includes sewer, gas, and water systems donated to the Parish valued at fair market value, which approximated original cost, on the date donated.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN

Plan Description

Substantially all employees of the Utility are members of the Parochial Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System was established and provided by R.S. 11:1901 of the Louisiana Revised Statute (LRS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets, and separate benefit provisions. All employees of the Utility are members of Plan A.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member of Plan A who was hired before January 1, 2007 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with a minimum of twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with seven (7) years of creditable service.

Benefits Provided (Continued)

Retirement Benefits (Continued)

Eligibility for Retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 with thirty (30) years of creditable service
2. Age 62 with ten (10) years of creditable service
3. Age 67 with seven (7) years of creditable service

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's final average final compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Any Plan A member who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

DROP Benefits

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Benefits Provided (Continued)

DROP Benefits (Continued)

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan (DROP) on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937) Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Contributions

According to state statute, contribution for all employers are actuarially determined each year. For the year ended December 31, 2024 and 2023, the actuarially determined contribution rate was 7.49% and 7.10%, respectively, of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2023 and 2022, was 11.50% and 11.50%, respectively for Plan A.

In accordance with state statute, the System receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities recognized as revenue in the government-wide governmental activities statement of activities was \$24,824 and \$26,368 for the year ended December 31, 2024 and 2023, respectively.

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

At December 31, 2024 and 2023, the Utility reported a liability of \$239,008 and \$1,089,127, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2023 and 2022, respectively, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Utility's proportion of the Net Pension Liability was based on a projection of the Utility's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year actuarially determined. At December 31, 2023, the Utility's proportion was .250869%, which was a decrease of .032110% from its proportion measured as of December 31, 2022. At December 31, 2022, the Utility's proportion was .282879%, which was a decrease of .002723% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2024 and 2023, the Utility recognized pension expense of \$102,734 and \$476,215, respectively, which includes the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$9,319 and \$9,452.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,178	\$ (64,155)	\$ 40,268	\$ (119,995)
Changes of assumptions	-	(41,640)	34,758	-
Net difference between projected and actual earnings on pension plan investments	385,197	-	1,149,769	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	6,958	-	-	(2,554)
Utility contributions subsequent to the measurement date	<u>247,137</u>	<u>-</u>	<u>226,455</u>	<u>-</u>
Total	<u>\$ 752,470</u>	<u>\$ (105,795)</u>	<u>\$ 1,451,250</u>	<u>\$ (122,549)</u>

The deferred outflows of resources related to pensions resulting from the Utility's contributions subsequent to the measurement date totaling \$247,137 will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. 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:	<u>PERS</u>
2024	\$ 40,344
2025	193,737
2026	326,926
2027	(151,865)

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023 and 2022, is as follows:

Valuation Date	December 31, 2023 and 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining	
Service Lives	4 years
Investment Rate of Return	6.40% net of investment expense, including inflation
Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees
Mortality	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.
Inflation Rate	2.30%

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The discount rate used to measure the total pension liability at December 31, 2023 and 2022 was 6.40% for Plan A in each year. 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-estimate 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and 2.10%, respectively, for the year ended December 31 2023 and 2022 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% and 7.70%, respectively, for the year ended December 31, 2023 and 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	100%	5.10%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.50%

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real assets	2%	0.12%
Totals	<u>100%</u>	<u>5.60%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u><u>7.70%</u></u>

The mortality rate assumption used for fiscal years 2024 and 2023 was set based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. 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 MP2021 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 MP2021 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 MP2021 scale.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(5) PENSION PLAN (CONTINUED)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Utility's proportionate share of the Net Pension Liability as of December 31, 2024 using the discount rate of 6.40%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

	<u>Changes in Discount Rate-Plan A</u>		
	<u>1% Decrease (5.40%)</u>	<u>Current Discount Rate (6.40%)</u>	<u>1% Increase (7.40%)</u>
Utility's proportionate share of the net pension liability/(asset)	\$ 1,705,369	\$ 239,008	\$ (991,855)

The following presents the Utility's proportionate share of the Net Pension Liability as of December 31, 2023 using the discount rate of 6.40%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

	<u>Changes in Discount Rate-Plan A</u>		
	<u>1% Decrease (5.40%)</u>	<u>Current Discount Rate (6.40%)</u>	<u>1% Increase (7.40%)</u>
Utility's proportionate share of the net pension liability/(asset)	\$ 2,693,448	\$ 1,089,127	\$ (255,890)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS 2023 Comprehensive Annual Financial Report at www.persla.org. or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Payables to the Pension Plan

Included in accrued expense liabilities is \$37,686 and \$31,650 payable to the System, which was remitted subsequent to December 31, 2024 and 2023, respectively.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(6) WEST BATON ROUGE PARISH COUNCIL

Garbage Billing Fees

The Utility bills and collects Garbage Fees for the West Baton Rouge Parish Council. The Utility is paid \$.33 per customer billing for providing this service. The Utility earned \$42,928 and \$36,137 for the years ended December 31, 2024 and 2023, respectively, for providing this service. The Utility owed the Council \$443,954 and \$153,035 for garbage fees collected and other amounts collected but not remitted to the Council at December 31, 2024 and 2023, respectively.

(7) ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2024 and 2023 was made up of the following:

	<u>2024</u>	<u>2023</u>
Customer Accounts:		
Billed	\$ 1,114,379	\$ 1,265,841
Unbilled	<u>319,833</u>	<u>294,660</u>
Total	1,434,212	1,560,501
Less allowance for doubtful accounts	<u>(38,297)</u>	<u>(3,000)</u>
Net	<u><u>\$ 1,472,509</u></u>	<u><u>\$ 1,563,501</u></u>

(8) OTHER INCOME

Other income for the years ended December 31, 2024 and 2023 was composed of the following:

	<u>2024</u>	<u>2023</u>
Service charges	\$ 25,645	\$ 29,760
Garbage billing and service fees	42,928	36,137
Capital area ground water charges	146,027	120,422
Miscellaneous income	20,636	33,662
Bad debts recovery	(145)	870
Council payroll assistance	<u>9,500</u>	<u>19,000</u>
Total	<u><u>\$ 244,591</u></u>	<u><u>\$ 239,851</u></u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(9) COMPENSATED ABSENCES

In accordance with GASB Statement No. 101, *Compensated Absences*, the Utility recognizes a liability for compensated absences when the leave is attributable to services already rendered and it is probable that the leave will be used or paid. Compensated absences include vacation leave, sick leave, and other paid time off (PTO), which are earned by employees based on services already performed.

Under the provisions of GASB 101:

- Vacation leave is accrued as earned and reported as a liability.
- Sick leave and other forms of leave are accrued only to the extent that it is probable the leave will result in a termination payment or will be used in a future reporting period.
- The liability is calculated using the pay rates in effect at the end of the reporting period and includes applicable salary-related payments

The Utility has the following policy relating to vacation:

One week of vacation after six months of service
Two weeks of vacation after one to five years of service.
Three weeks of vacation after five to fifteen years of service.
Four weeks of vacation after fifteen to twenty years of service.
Five weeks of vacation after twenty or more years of service.

Each employee accrues annual leave on January 1 of each year for that year. Employees can accumulate up to 320 hours of unused vacation. Each employee also earns 8 hours of sick leave every month and can accumulate up to 320 hours of sick leave.

This liability is reported in the proprietary fund as a noncurrent liability, except for the amount expected to be paid within one year, which is classified as a current liability. During the year ended December 31, 2024, employees earned approximately \$228,747 of compensated absences and used approximately \$181,483. As of December 31, 2024 and 2023, employees of the Utility had accumulated and vested \$203,872 and \$156,608, respectively, of compensated.

(10) CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The following current liabilities were payable from restricted assets as of December 31, 2024 and 2023:

	2024	2023
Customer deposits	\$ 1,272,672	\$ 1,237,732
Revenue bond current maturity	14,964	14,231
Revenue bond accrued interest	1,009	1,033
	<u>\$ 1,288,645</u>	<u>\$ 1,252,996</u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(11) PAYABLE TO STATE OF LOUISIANA

During the year ended November 30, 1990, the Public Utility was required by the Louisiana Department of Transportation to relocate some gas and water lines located on highway right-of-ways, to allow for widening of those highways. The Public Utility received \$197,900 from the Louisiana Department of Transportation (DOTD) during the year ended November 30, 1992. Of this amount, \$113,467 was a loan from DOTD and is shown as a current liability on the Statement of Net Position and \$84,433 was a grant from DOTD.

(12) POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description

The Utility's OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report. The Utility provides certain continuing health care and life insurance benefits for its retired and retirement-eligible employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. All retirees aged 65 or older that have Part A and Part B of Medicare must go on the Humana 65 Plan.

Plan Description

Additionally, an HSA is also offered to all participants in the HDHP. The Utility pays 100% of the premiums for all retirees. The Utility also contributes to the participants that utilize the HSA as follows:

Family	\$800 Annually
Two-party	\$800 Annually
Single	\$400 Annually

Additionally, the Utility pays 50% for a life insurance policy for all retired employees who wish to participate. Eligible retirees are provided a basic life insurance benefit with a policy amount of \$25,000. The amount decreases to \$5,000 at age 65, then to \$1,000 at age 70. A fully insured dental benefit is available with the retiree paying 100% of the contribution for elected coverage. All active employees who retire directly from the Utility and meet the eligibility criteria may participate.

Employees Covered by Benefit Terms

At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	37
Total	<u>60</u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(12) POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
(CONTINUED)

Total OPEB Liability

The Utility's total OPEB liability of \$4,211,573 and \$4,526,158 measured as of December 31, 2024 and 2023, respectively, was determined by an actuarial valuation as of that date. At December 31, 2024 measurement date, the Utility's proportion was 19.96%, which was a decrease of 0.18% from the proportion at the December 31, 2023 measurement date. At December 31, 2023 measurement date, the Utility's proportion was 20.13%, which was a decrease of 0.36% from the proportion at the December 31, 2022 measurement date.

Total OPEB Liability (Continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation	2.5%
Salary increases	3.5%
Discount rate	4.28% (1.78% real rate of return plus 2.5% inflation)
Healthcare cost trend rates	Level 4.5%
Actuarial cost method	Individual Entry Age Normal Cost Method - Level Percentage of projected Salary

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified.

Inflation	2.5%
Salary increases	3.5%
Discount rate	4.00% (1.50% real rate of return plus 2.5% inflation)
Healthcare cost trend rates	Level 4.5%
Actuarial cost method	Individual Entry Age Normal Cost Method - Level Percentage of projected Salary

The discount rate was based on the recently published S&P Municipal Bond 20 Year High Grade Rate Index. Mortality rates were based on the RPH-2014 Total Table with Projection MP-2021.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(12) POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
(CONTINUED)

Total OPEB Liability (Continued)

The actuarial assumptions used in the December 31, 2024 and 2023 valuations were based on those used in the Parochial Employees Retirement System of Louisiana valuation and actuarial experience.

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 4,526,158	\$ 4,163,821
Changes for the year		
Service cost	119,111	98,030
Interest	181,818	177,954
Differences between expected and actual experience	(244,832)	165,560
Changes in assumptions	(171,048)	186,748
Benefit payments and net transfers	<u>(199,634)</u>	<u>(265,955)</u>
Net Changes	<u>(314,585)</u>	<u>362,337</u>
Ending Balance	<u>\$ 4,211,573</u>	<u>\$ 4,526,158</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following present the total OPEB liability of the Utility at December 31, 2024, as well as what the Utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate.

	<u>1.0% Decrease (3.28%)</u>	<u>Current Discount Rate (4.28%)</u>	<u>1.0% Increase (5.28%)</u>
Total OPEB Liability	\$ 4,867,124	\$ 4,211,573	\$ 3,681,132

The following present the total OPEB liability of the Utility at December 31, 2023, as well as what the Utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate.

	<u>1.0% Decrease (3.00%)</u>	<u>Current Discount Rate (4.00%)</u>	<u>1.0% Increase (5.00%)</u>
Total OPEB Liability	\$ 5,242,555	\$ 4,256,158	\$ 3,947,866

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(12) POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
(CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Utility at December 31, 2024, as well as what the Utility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare trend rates.

	1.0% Decrease (3.50%)	Current Trend (4.50%)	1.0% Increase (5.50 %)
Total OPEB Liability	\$ 3,616,966	\$ 4,211,573	\$ 4,978,178

The following presents the total OPEB liability of the Utility at December 31, 2023, as well as what the Utility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare trend rates.

	1.0% Decrease (3.50%)	Current Trend (4.50%)	1.0% Increase (5.50 %)
Total OPEB Liability	\$ 3,874,843	\$ 4,256,158	\$ 5,369,610

OPEB Expense

For the year ended December 31, 2024 and 2023, the Utility recognized OPEB expense of \$207,317 and \$187,145, respectively. At December 31, 2024 and 2023, Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 415,460	\$ (307,098)	\$ 505,509	\$ (124,713)
Changes in assumptions	451,097	(1,232,371)	621,992	(1,314,363)
Changes in proportion	135,166	(96,306)	122,777	(122,986)
Total	<u>\$ 1,001,723</u>	<u>\$ (1,635,775)</u>	<u>\$ 1,250,278</u>	<u>\$ (1,562,062)</u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(12) POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
(CONTINUED)

OPEB Expense (Continued)

Amounts we reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:

2025	\$ (56,363)
2026	(56,363)
2027	(188,468)
2028	(115,311)
2029	(103,826)
Thereafter	<u>(113,721)</u>
	<u><u>\$ (634,052)</u></u>

COBRA Benefits

Under the Consolidated Budget Reconciliation Act (COBRA), the Public Utility provides health insurance benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are to be paid in full by the insured. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the Public Utility under this program. There were no participants in the program as of December 31, 2024 or 2023.

(13) RELATED PARTY TRANSACTIONS

In addition to the transactions discussed in Note 6 to these financial statements the Utility had dealings with and collected sewer user fees for two municipalities in West Baton Rouge Parish and garbage fees for one municipality in Pointe Coupee Parish.

The Public Utility collected sewer user fees for the Town of Addis in 2024 and 2023. At December 31, 2024 and 2023, the Public Utility owed the Town of Addis, \$165,845 and \$99,685, respectively.

The Public Utility collected sewer user fees for the Town of Brusly in 2024 and 2023. At December 31, 2024 and 2023, the Public Utility owed the Town of Brusly \$29,414 and \$20,247, respectively.

The Public Utility collected garbage fees for Pointe Coupee Parish in 2024 and 2023. At December 31, 2024 and 2023, the Public Utility owed Pointe Coupee Parish \$1,729 and \$968, respectively.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(14) MAJOR CUSTOMERS AND CREDIT CONCENTRATIONS

The West Baton Rouge Parish Public Utility has a few customers who provide significant amounts of its revenue and compose a significant amount of its accounts receivable balances as follows:

	Water Sales 2024	Water Sales 2023	Accounts Receivable 2024	Accounts Receivable 2023
Customer A	17.1%	16.3%	4.1%	5.9%
	Gas Sales 2024	Gas Sales 2023	Accounts Receivable 2024	Accounts Receivable 2023
Customer B	6.0%	7.2%	2.6%	2.5%

Accounts receivable are subject to a concentration of credit risk because of the limited area served by the Utility.

(15) DEFERRED COMPENSATION PLAN

Certain employees of the Utility participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Utility does not contribute to the plan.

(16) SEWER REVENUE BONDS

During 2008, the West Baton Rouge Parish Council issued "Sewer System Revenue Bond, Series 2010". The Bond was purchased by the U.S. Department of Agriculture. The total proceeds of the bond issue of \$765,000 were used by the Parish Council to make sewer system improvements. During 2010, the Sewer System was completed, and the Parish Council transferred the completed improvements to the Public Utility.

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

(16) SEWER REVENUE BOND (CONTINUED)

The Sewer Revenue Bond payable at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
\$765,000 Sewer Revenue Bond Series 2010 dated June, 2010, interest at 4.375%. Monthly payments of \$3,412. Principal and interest to be paid from the income derived from providing sewer service.	\$ 601,037	\$ 615,344
Less current portion	<u>14,964</u>	<u>14,231</u>
Long term portion	<u><u>\$ 586,073</u></u>	<u><u>\$ 601,113</u></u>

The annual requirements to amortize the revenue bond payable as of December 31, 2024, are as follows:

Year ending December 31, 2024	Principal	Interest	Total
2025	\$ 14,946	\$ 25,997	\$ 40,943
2026	15,613	25,330	40,943
2027	16,310	24,633	40,943
2028	16,970	23,973	40,943
2029	17,796	23,147	40,943
2030	18,590	22,353	40,943
2031-2036	130,201	115,455	245,656
2037-2042	169,284	76,372	245,656
2043-2048	<u>201,327</u>	<u>25,801</u>	<u>227,128</u>
Totals	<u><u>\$ 601,037</u></u>	<u><u>\$ 363,061</u></u>	<u><u>\$ 964,098</u></u>

(17) RECLASSIFICATION

Certain items have been reclassified from the prior year for comparative purposes. These classifications affect neither net assets nor the change in net assets of the West Baton Rouge Parish Public Utility.

REQUIRED SUPPLEMENTARY INFORMATION

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability:							
Service cost	\$ 104,303	\$ 108,580	\$ 169,785	\$ 176,019	\$ 172,777	\$ 98,030	\$ 119,111
Interest cost	172,950	176,906	150,531	107,400	117,664	177,954	181,818
Changes of benefit terms	-	-	-	-	-	-	-
Difference of expected and actual experience	-	(76,077)	(150,620)	568,706	(26,219)	165,560	(244,832)
Changes in assumptions	-	1,109,625	(353,812)	69,718	(1,510,039)	186,748	(171,048)
Benefit payments	(180,834)	(189,286)	(213,073)	(286,742)	(258,855)	(265,955)	(199,634)
Net change in total OPEB liability	96,419	1,129,748	(397,189)	635,101	(1,504,672)	362,337	(314,585)
Total OPEB liability, beginning	4,204,414	4,300,833	5,430,581	5,033,392	5,668,493	4,163,821	4,526,158
Total OPEB liability, ending	<u>\$ 4,300,833</u>	<u>\$ 5,430,581</u>	<u>\$ 5,033,392</u>	<u>\$ 5,668,493</u>	<u>\$ 4,163,821</u>	<u>\$ 4,526,158</u>	<u>\$ 4,211,573</u>
Covered-employee payroll	1,723,055	1,848,560	2,063,788	2,024,460	2,049,462	2,097,884	2,222,788
Net OPEB liability as a percentage of covered-employee payroll	249.61%	293.77%	243.89%	280.00%	203.17%	215.75%	189.47%

Notes to Schedule:*Changes of Benefit Terms*

None

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	4.10%
2019	4.10%
2020	2.12%
2021	2.06%
2022	4.31%
2023	4.00%
2024	4.28%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
YEARS END DECEMBER 31, 2024 AND 2023

<u>Fiscal Year*</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</u>
<u>PERS:</u>					
2024	0.2509%	\$ 239,008	\$ 1,969,178	12.14%	98.03%
2023	0.2830%	\$ 1,089,127	\$ 1,919,690	56.73%	91.74%
2022	0.2857%	\$ (1,345,780)	\$ 1,915,924	-70.24%	110.46%
2021	0.2956%	\$ (518,299)	\$ 1,974,287	-26.25%	88.86%
2020	0.2719%	\$ 12,798	\$ 1,723,772	0.74%	99.89%
2019	0.2628%	\$ 1,166,485	\$ 1,723,772	67.67%	88.86%
2018	0.2643%	\$ (196,174)	\$ 1,615,700	-12.14%	101.98%
2017	0.0270%	\$ 556,559	\$ 1,626,791	34.21%	94.15%
2016	0.0265%	\$ 696,464	\$ 1,723,594	40.41%	92.23%
2015	0.2185%	\$ 59,731	\$ 1,517,028	3.94%	99.15%

* The amounts presented have a measurement date of December 31 of the previous fiscal year-end.

See Independent Auditors' Report

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
YEARS END DECEMBER 31, 2024 AND 2023

Fiscal Year	Contractually Required Contribution		Contributions in Relation to Contractually Required Contribution		Contribution Deficiency (Excess)		Employer's Covered- Employee Payroll		Contributions as a Percentage of Covered- Employee Payroll
<u>PERS</u>									
2024	\$	247,137	\$	247,137	\$	-	\$	2,149,018	11.50%
2023	\$	226,455	\$	226,455	\$	-	\$	1,969,178	11.50%
2022	\$	220,764	\$	220,764	\$	-	\$	1,919,690	11.50%
2021	\$	234,701	\$	234,701	\$	-	\$	1,915,924	12.25%
2020	\$	241,850	\$	241,850	\$	-	\$	1,974,287	12.25%
2019	\$	198,234	\$	198,234	\$	-	\$	1,723,772	11.50%
2018	\$	185,806	\$	185,806	\$	-	\$	1,615,700	11.50%
2017	\$	203,349	\$	203,349	\$	-	\$	1,626,791	12.50%
2016	\$	225,881	\$	225,881	\$	-	\$	1,723,594	13.11%
2015	\$	220,511	\$	220,511	\$	-	\$	1,517,027	14.54%

See Independent Auditors' Report

WEST BATON ROUGE PARISH PUBLIC UTILITY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2024 AND 2023

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2024.

Changes of Assumptions

During the year ended December 31, 2024, PERS adjusted its assumption of the mortality rate – annuitant and beneficiary employees to the Pub-2010 Public Ret Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP 2021 scale. PERS also adjusted its assumption of the mortality rate –disabled annuitants to the Pub-2010 Public Ret Mortality Table for General Disables Retirees multiplied by 130% for males and 125% for females using MP 2021 scale

During the year ended December 31, 2020, PERS adjusted its assumption of the investment rate of return from 6.50% to 6.40%.

During the year ended December 31, 2018, PERS adjusted its assumption of the investment rate of return from 6.75% to 6.50%. PERS also adjusted its assumption of mortality rate – annuitant and beneficiary, employees, and disabled annuitants to the Pub-2010 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP 2018 scale. PERS also adjusted its assumption of mortality rate – annuitant to the Pub-210 Public Ret Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP 2018 scale. They adjusted the ranges of its salary increase assumptions from 5.25% to 4.75% for Plan A and 4.25% for Plan B.

During the year ended December 31, 2017, PERS adjusted its assumption of the investment rate of return from 7.00% to 6.75%.

During the year ended December 31, 2015, PERS adjusted its assumption of the investment rate of return from 7.25% to 7.00%. PERS also adjusted its assumption of mortality rate – annuitant and beneficiary to RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA set back 1 year for females. Assumption to mortality rate – employees was also adjusted to the RP-2000 Employee table set back 4 years for males and 3 years for females. Mortality rate – disabled annuitants' assumptions were changed to RP-2000 Disable Lives Mortality Table set back 5 years for males and 3 years for females. They adjusted the ranges of its salary increase assumptions from 5.75% to 5.25%.

There were no changes in assumptions during any other years presented.

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF CHANGES IN SEWER REVENUE
BOND RESTRICTED FUNDS
YEARS END DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Balance, beginning	\$ 18,335	\$ 57,701
Additions:		
Transfer from revenue account	34,119	-
Interest earned	<u>605</u>	<u>1,577</u>
Total cash available	<u>53,059</u>	<u>59,278</u>
Disbursements:		
Bond principal paid	14,307	13,696
Bond interest paid	<u>26,636</u>	<u>27,247</u>
Total disbursements	<u>40,943</u>	<u>40,943</u>
Balance, ending	<u>\$ 12,116</u>	<u>\$ 18,335</u>

The restricted cash account was adequately funded as of December 31, 2024 and 2023.

Interest earned on restricted cash is not required to be restricted.

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
YEAR END DECEMBER 31, 2024

				<u>Amount</u>
Compensation for the year ended December 31, 2024:				
Roger Alan Crowe	PO Box 304, Port Allen, LA 70767	225-715-9521	\$	14,400
Kirk Allain	3113 River Landing Dr., Addis, LA 70710	225-303-7192		14,400
Kenneth Gordon	PO Box 502, Port Allen, LA 70767	225-324-3904		14,400
Brady Hotard	2655 Emily Dr., Port Allen, LA 70767	225-287-8638		14,400
Carey Denstel, Chairperson	4111 Roseland Dr., Port Allen, LA 70767	225-505-3071		15,600
Gary Joseph	1416 Avenue B, Port Allen, LA 70767	225-223-0919		14,400
Katherine Andre	5740 Andre Ln., Port Allen, LA 70767	225-413-1168		14,400
Daryl Babin	4611 Raymond LaBauve Rd., Brusly, LA 70719	225-445-3504		14,400
Atley Walker, Jr.	PO Box 1135, Brusly, LA 70719	225-324-7139		14,400
				<u>\$ 130,800</u>

Council members receive \$1,200 per month and the chairperson receives \$1,300 per month. The Council is paid by the West Baton Rouge Parish Council. The Council is audited by other auditors.

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF COMPENSATION PAID TO CHIEF EXECUTIVE
YEAR END DECEMBER 31, 2024

Compensation paid to the West Baton Parish Public
 Utility Director:

	<u>Adrian Genre</u>
Salary	\$ 111,365
Benefits-Insurance	27,401
Benefits-Retirement	12,807
Vehicle allowance	<u>4,800</u>
Total compensation	<u><u>\$ 156,373</u></u>

WEST BATON ROUGE PARISH PUBLIC UTILITY
OPERATING STATISTICS
YEARS END DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Sewer:</u>		
Residential customers	1,621	1,675
Commercial customers	<u>223</u>	<u>161</u>
Total	<u><u>1,844</u></u>	<u><u>1,836</u></u>
<u>Natural Gas:</u>		
Customers	6,063	5,992
Sales	\$ 3,190,580	\$ 3,540,333
Purchases	<u>1,857,950</u>	<u>1,981,836</u>
Gross profit on sales	\$ 1,332,630	\$ 1,558,497
MCF's of gas sold	512,114	505,499
MCF's of gas loss	-	371
MCF's of gas purchased	<u>648,685</u>	<u>576,245</u>
MCF's of gain (loss)	(136,571)	(70,375)
Percent of gain (loss)	-21.05%	-12.21%
 Total number of customer billings	 72,572	 71,617
Average number of customers billed per month	6,048	5,968
Average monthly revenue per customer	\$ 43.96	\$ 49.43
Average revenue per MCF billed	\$ 6.23	\$ 7.00

WEST BATON ROUGE PARISH PUBLIC UTILITY
OPERATING STATISTICS, CONTINUED
YEARS END DECEMBER 31, 2024 AND 2023

	Placid	Chemical Plants	Others	Total 2024
<u>Water:</u>				
Sales	\$ 573,515	\$ 257,830	\$ 2,514,491	\$ 3,345,836
M gallons sold	764,687	343,397	1,113,635	2,221,719
Total number of customer billings	12	48	111,466	111,526
Average number of customers billed per month	1	4	9,289	9,294
Average monthly revenue per customer	\$ 47,793	\$ 5,371	\$ 22.56	\$ 30.00
Average revenue per M gallons	\$ 0.75	\$ 0.75	\$ 2.26	\$ 1.51
	Placid	Chemical Plants	Others	Total 2023
Sales	\$ 619,662	\$ 280,212	\$ 2,559,993	\$ 3,459,867
M gallons sold	826,215	378,398	1,176,615	2,381,228
Total number of customer billings	12	48	110,508	110,568
Average number of customers billed per month	1	4	9,209	9,214
Average monthly revenue per customer	\$ 51,639	\$ 5,838	\$ 23.17	\$ 31.29
Average revenue per M gallons	\$ 0.75	\$ 0.74	\$ 2.18	\$ 1.45

See Independent Auditors' Report

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



**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***

West Baton Rouge Parish Public Utility
Port Allen, 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 business type activities of the West Baton Rouge Parish Public Utility, a component unit of the West Baton Rouge Parish Council, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise West Baton Rouge Parish Public Utility's basic financial statements and have issued our report thereon dated May 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the West Baton Rouge Parish Public Utility's internal control over financial reporting (internal control) as a basis for designing 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 West Baton Rouge Parish Public Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Baton Rouge Parish Public Utility'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 a combination of deficiencies, 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 internal control 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 or significant deficiencies may exist that were not identified.

West Baton Rouge Parish Public Utility
Port Allen, Louisiana
May 21, 2025

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Baton Rouge Parish Public Utility's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying *schedule of findings and responses* as item 2024-001.

West Baton Rouge Parish Public Utility of Port Allen's Response to Findings

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

Purpose of This Report

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

May 21, 2025
Baton Rouge, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

WEST BATON ROUGE PARISH PUBLIC UTILITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION I- SUMMARY OF AUDITORS' REPORT

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the West Baton Rouge Parish Public Utility (the Utility).
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements was reported in the 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*.
3. One instance of noncompliance material to the financial statements was reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2024.

SECTION II – FINDINGS - FINANCIAL STATEMENT AUDIT

Compliance Findings

Finding 2024-001 – Noncompliance with R.S. 9:159

Condition: The Utility has deposits for accounts that have been inactive for one year or greater.

Criteria: State Law R.S. 9:159 requires that the holder of property presumed abandoned shall report to the state treasurer concerning such property.

Effect: The Utility may not be in compliance with state law.

Cause: During the audit we discovered that the Utility had deposits with inactive statuses for greater than one year which had not been refunded to the person who made the original deposit. Presumptions of abandonment for unclaimed property include a deposit or refund owed by a utility one year after the deposit or refund becomes payable.

Recommendation: Management should research all inactive deposits for a period of one year or greater for when the refund becomes due and refund these deposits to the individual who made the original deposit or report to the state treasurer the abandoned property as required by state law R.S. 9:159.

View of Responsible Officials: Management is in the process of assessing all aged deposits that are older than one year so that they can be remitted to the state treasurer as required by R.S. 9:159. Due to the Utility's records going through multiple computer conversions, ensuring the historical data is accurate has been difficult and more time consuming than anticipated. The Utility recognizes its obligation to return deposits, however until procedures have been completed to ensure accuracy we have elected to submit to the state. The Utility maintains a cash reserve sufficient to cover all utility deposits.

**WEST BATON ROUGE PARISH PUBLIC UTILITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

COMPLIANCE FINDINGS

Finding 2023-001 Noncompliance with R.S. 9:159

Condition: The Utility has deposits for accounts that have been inactive for one year or greater.

This finding has not been resolved as of December 31, 2024.

WEST BATON ROUGE PARISH PUBLIC UTILITY
CORRECTIVE ACTION PLAN – FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

May 21, 2025

Louisiana Legislative Auditor

West Baton Rouge Parish Public Utility respectfully submits the following corrective action plan for the year ended December 31, 2024.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
8550 United Plaza Boulevard, Suite 600
Baton Rouge, Louisiana 70809

Engagement Period: January 01, 2024 – December 31, 2024

The findings from the December 31, 2024, schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

Compliance Finding

Finding 2024-001 Segregation of Duties

Recommendation: Management should research all inactive deposits for a period of one year or greater for when the refund becomes due and refund these deposits to the individual who made the original deposit or report to the state treasurer the abandoned property as required by state law R.S. 9:159.

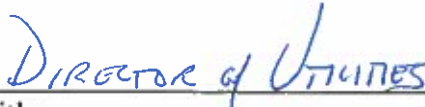
Views of Responsible Officials: Management is in the process of assessing all aged deposits that are older than one year so that they can be remitted to the state treasurer as required by R.S. 9:159. Due to the Utility's records going through multiple computer conversions, ensuring the historical data is accurate has been difficult and more time consuming than anticipated. The Utility recognizes its obligation to return deposits, however until procedures have been completed to ensure accuracy we have elected to submit to the state. The Utility maintains a cash reserve sufficient to cover all utility deposits.

If there are any questions regarding this plan, please call Adrian Genre, Director of Utilities, at (225) 490-8519.

Sincerely,



Signature



Title

WEST BATON ROUGE PARISH PUBLIC UTILITY

PORT ALLEN, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

DECEMBER 31, 2024



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Council and Management of West Baton Rouge Parish Public Utility and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2024. The West Baton Rouge Parish Public Utility's management is responsible for those C/C areas identified in the SAUPs.

West Baton Rouge Parish Public Utility has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and associated findings are detailed in Schedule "1".

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

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

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

May 21, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

WEST BATON ROUGE PARISH PUBLIC UTILITY
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024

1) BANK RECONCILIATIONS

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged)
- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: No exceptions were found as a result of applying the procedure.

2) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

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

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of the Lawrason Act municipality, should not be reported); and
- b) Observe that finance charges and late fees were not assessed on the selected statements.

WEST BATON ROUGE PARISH PUBLIC UTILITY
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

2) **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**
(CONTINUED)

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

Results: No exceptions were found as a result of applying the procedure.

3) **ETHICS**

- A. **Procedures:** Using the five randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period, as applicable.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. **Procedures:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the procedure.

WEST BATON ROUGE PARISH PUBLIC UTILITY
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

4) **SEXUAL HARASSMENT**

- A. **Procedures**: Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- B. **Procedure**: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. **Procedure**: Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of applying the procedure.