

BOARD 1 & 2 JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. BERRY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1994 & 1995

NOTE 1 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units are amounts due from each participant for unpaid user fees of the sewerage system. Amounts due from other governmental units consisted of the following:

	September 30 1994	September 30 1995
Sewerage District No. 2 - Sewerage Treatment Fees	\$ 0,431	\$ 12,140
Sewerage District No. 6 - Sewerage Treatment Fees	0,000	0,500
Town of Norwick - Sewerage Treatment Fees	15,982	15,451
City of Baton Rouge - Sewerage Treatment Fees	<u>22,928</u>	<u>25,182</u>
Total	\$ 59,341	\$ 60,144

NOTE 4 - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

Depreciation was \$10,281 and \$29,420 for the years ended September 30, 1994 and 1995, and there were no disposals for these years.

Property	Balance 3-30-94	Additions	Disposals	Balance 3-30-95
Equipment	\$ 88,871	\$ 44,876	\$ ---	\$133,747
Vehicles	29,263	---	---	29,263
Buildings & Improvements	<u>251,668</u>	<u>2,185</u>	<u>---</u>	<u>253,853</u>
Total	\$ 479,802	\$ 47,061	\$ ---	\$526,863
Accumulated Depreciation	<u>(122,102)</u>	<u>(12,881)</u>	<u>---</u>	<u>(134,983)</u>
Property, Plant & Equipment Net of Accum. Depreciation	\$357,700			\$391,880

MARIE C. & S. JOINT RESERVE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

STATEMENT OF CASH FLOW - PROPRIETARY FUND TYPE  
For the Years ended September 30, 1996 and 1995

	<u>9-30-96</u>	<u>9-30-95</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 127,653	\$ 128,458
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	32,283	29,426
CHANGE IN ASSETS AND LIABILITIES:		
-increase- decrease due from governmental units	6,414	+ 6,221
-decrease- in prepaid expenses	+ 2,719	+ 1,235
Increase -decrease- in accounts payable	+ 12,892	17,864
Net cash provided by operating activities	\$ 142,448	\$ 168,400
	*****	*****

The accompanying notes are an integral part of these financial statements.

# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 1004 • NEW ORLEANS, LOUISIANA

FAYETTEVILLE, LOUISIANA 70508

MEMBER AICPA

MEMBER OF AICPA, CMAA, CPA  
MEMBER OF AICPA, CMAA, CPA

CERTIFIED  
PUBLIC ACCOUNTANTS  
MEMBER OF AICPA  
MEMBER OF CMAA  
MEMBER OF CPA

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Mards & S Joint Sewerage Commission  
of the Parish of St. Mary  
State of Louisiana  
P.O. Box 181  
Barrick, Louisiana 70342

We have audited the financial statements of the Mards & S Joint Sewerage Commission as of and for the years ended September 30, 1986 and 1985, and have issued our report thereon dated December 18, 1986.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Mards & S Joint Sewerage Commission for the years ended September 30, 1986 and 1985, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Mards & S Joint Sewerage Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from

WALTON & S. JOINT CENSURE COMMISSION  
 OF THE PARISH OF ST. MARY  
 STATE OF LOUISIANA

SCHEDULE OF PAYMENTS FOR BOARD OF COMMISSIONERS  
 For the Years Ended September 30, 1994 and 1995

September 30, 1994

<u>Board Member</u>	<u>Number of Meetings Attended</u>	<u>Total Amount Expended</u>
Henry LaGrange	3	\$ 150
Dave Lowery	12	600
Dave Thomas	8	400
Travis Domagala	10	500
Tony Hernandez	10	500
Hike Thibodeaux	7	350
Total		\$ 2,500

September 30, 1995

<u>Board Member</u>	<u>Number of Meetings Attended</u>	<u>Total Amount Expended</u>
Henry LaGrange	12	\$ 600
Dave Lowery	12	600
R.D. Landry	2	100
Travis Domagala	4	200
Tony Hernandez	5	500
Dave Thomas	8	400
Total		\$ 2,000

WARDS 5 & 8 JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1988 & 1989

NOTE 8 - PENSION PLAN (Continued)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is included to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among JKKO and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

The ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1988 comprehensive annual financial report. Wards 5 & 8 Joint Sewerage Commission does not guarantee the benefits granted by the System.

NOTE 9 - SEWERAGE FEE

In order to defray the cost of maintaining the system, Wards 5 & 8 Joint Sewerage Commission charges each participant a \$1 fee per one thousand gallons of water consumed by each participant's water customers. The Commission has set aside 15 cents on each dollar collected in a money market account specifically for any repairs paid by the Commission. The other 85 cents goes toward the other operating expenses such as utilities, salaries, etc. As of September 30, 1988 & 1989, the balance in the repair & maintenance account was \$40,328 and \$ 68,410.

WARDEN S & S JOINT SEWERAGE COMMISSION  
 OF THE PARISH OF ST. MARTIN  
 STATE OF LOUISIANA

NOTICE TO FINANCIAL STATEMENTS  
 September 30, 1996 & 1995

NOTE 8 - PENSION PLAN (Continued)

The following reflects the contributions by Warden S & S Joint Sewerage Commission and its employees into Plan A for the year ended September 30, 1996 that are required by GASB Codification Section 100.120.

	10/01/95 to 09/30/95	01/01/96 to 09/30/96	Total
Contribution Rates:			
Employee	9.50%	9.50%	
Employer	8.00%	7.35%	
Total current-year covered payroll	\$ 12,988	\$ 36,741	\$ 49,729
Total current-year payroll	\$ 14,948	\$ 40,968	\$ 55,916
Contributions:			
Required by Statute:			
Employee	\$ 1,304	\$ 3,380	\$ 4,684
Employer	<u>1,840</u>	<u>2,322</u>	<u>4,162</u>
Total	\$ 3,144	\$ 5,702	\$ 8,846
Actuarially required contribution dollar amount			\$ 8,028
For cost of total actuarially required contribution of all participating employees and employees			.088028

BOARD OF A JOINT INTERSTATE COMMISSION  
OF THE PARISH OF ST. BERRY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1996 & 1995

NOTE 4 - PENSION PLAN (Continued)

The following reflects the entire Parochial Employees Retirement System of Louisiana (Plan A) estimated benefit obligations. The pension benefit obligation is presented as of December 31, 1995 because the December 31, 1996 information is not available:

Year ended December 31, 1995

Plan A

Retirement System

Net assets	\$ 447,645,108
Pension benefit obligation	<782,851,599>
Unfunded pension benefit obligation	\$ <335,206,491>

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Covered employees are required by the State Legislature to contribute 3.50% of their gross salary to the plan. The Commission was required by the same statute to contribute 7.25% in 1994 and 8.80% in 1995 of each employee's gross salary to the plan.

WARDS 5 & 6 JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1986 & 1985

NOTE 6 - PENSION PLAN

Wards 5 & 6 Joint Sewerage Commission has three employees. All of the employees are covered under the Employees Parochial Retirement System of Louisiana. The Commission's contribution to this plan totaled \$3,542 and \$0,531 for the years ended September 30, 1986 and 1985. One of the employees was part-time during the beginning of the year and was not eligible to participate in the Parochial Retirement System until he became full-time towards the end of the year.

All full-time eligible employees of the Wards 5 & 6 Joint Sewerage Commission are members of the Parochial Employees Retirement Systems of Louisiana, a multiple-employer (cost-sharing) public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All eligible employees of the Wards 5 & 6 Joint Sewerage Commission are members of Plan A.

All eligible employees working at least 28 hours per week who are paid wholly or in part from Wards 5 & 6 Joint Sewerage Commission funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.



WARDS 5 & 8 JOINT SEWERAGE COMMISSION  
FOR THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1994 & 1995

NOTE 5 - BOARD OF COMMISSIONERS

The Board of Commissioners consists of five members, one each appointed by the Town of Berwick, the City of Patterson, Sewerage District No. 2, and two appointed by the Parish Council.

NOTE 6 - CONTRIBUTED CAPITAL

The following is a list of the total contributions received from the following governmental units as of September 30, 1994 and 1995.

	September 30 1994	September 30 1995
Sewerage District No. 2	\$ 4,518	\$ 4,518
Town of Berwick	27,993	27,993
City of Patterson	31,392	31,392
St. Mary Parish Council	15,800	15,800
Sewerage District No. 2	<u>18,482</u>	<u>18,482</u>
Total Contributed Capital	\$ 98,185	\$ 98,185

NOTE 7 - REPORTING ENTITY

Wards 5 & 8 Joint Sewerage Commission was established by a joint venture between the Town of Berwick, City of Patterson, Parish of St. Mary and Sewerage District No. 2 of the Parish of St. Mary, State of Louisiana. The Commission's sole purpose is to maintain and operate the Sewerage System. Each participant accounts for their equity interest in Wards 5 & 8 Joint Sewerage Commission on their own financial statements.

MAKDE S & S JOINT SEWERAGE COMMISSION  
OF THE  
PARISH OF ST. MARY  
STATE OF LOUISIANA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL,  
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL  
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

FOR THE YEARS ENDED SEPTEMBER 30, 1994 AND 1995

in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated December 18, 1996 on our consideration of Mardi S & S Joint Sewerage Commission's internal control structure and a report dated December 18, 1996 on its compliance with laws and regulations.

*Adams & Johnson*

ADAMS & JOHNSON  
Certified Public Accountants

Metairie, Louisiana  
December 18, 1996

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MARKS & S JOINT BOARDMAN COMMISSION  
OF THE ORDER OF ST. MARY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1998 & 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

accounts is maintained for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions or limitations.

PROPRIETARY FUND TYPE

Internal Service Fund - An Internal Service Fund is used to account for the financing of special activities and services performed by a designated organizational unit within governmental jurisdictions for other organizational units within the same governmental jurisdictions.

B) Basis of Accounting:

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. The commission's accounting system uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C) Investments:

Investments are carried at the lower of cost or market.

D) Accumulated Vacation, Compensatory Time, and Sick Leave:

Accumulated vacation, compensatory time, and sick leave are recorded as an expenditure of the period in which earned. As September 30, 1998 and 1995, unrecorded liabilities for the above are an immaterial amount, and therefore are not reflected in the financial statements.

E) Property, Plant, and Equipment:

Property, plant, and equipment are stated at cost. Additions, improvements, and expenditures that add materially to productive capacity, or extend the life of an asset, are capitalized.

WARDS 5 & 6 JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1998 & 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is charged as an expense against operations. Depreciation has been provided over the estimated economic lives of the assets by the straight-line method. The estimated useful lives are as follows:

Equipment	10 - 15 years
Building & Improvements	10 - 40 years

F) Statement of Cash Flow:

For purposes of the statement of cash flow, Wards 5 & 6 Joint Sewerage Commission considers all cash or investments (certificates of deposits) with a maturity of twelve months or less when purchased to be cash equivalents.

NOTE 2 - CASH AND INTEREST-BEARING DEPOSITS

Statutes authorize the Commission to invest in certificates of deposit, repurchase agreements, passbook savings, bankers acceptances and other available bank investments provided that approved securities are pledged to secure these funds in deposits, as required. Cash and interest-bearing deposits as of September 30, 1998 and 1995 were \$345,499 and \$240,923.

Respectively, the carrying amount (cost) and bank balance were the same amount, and the total cash and interest-bearing deposits were covered by insurance provided by the Federal Deposit Insurance Corporation or the Federal Savings & Loan Insurance Corporation as well as pledged securities owned by the banks.

The Commission's investments are categorized to give an indication of level of risk assumed by the Commission at year end. All of the commission's investments are considered Category 1 which includes investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name.

# ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS  
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MEMBER  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER SOCIETY OF CPAs  
MEMBER SOCIETY OF CPAs

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Wards 5 & 8 Joint Sewerage Commission  
of the Parish of St. Mary  
State of Louisiana  
P.O. Box 101  
Barrick, Louisiana 70042

We have audited the accompanying financial statements of the Wards 5 & 8 Joint Sewerage Commission, a joint venture of the Towns of Barrick, Gray of Patterson, Parish of St. Mary and Sewerage District No. 2 of the Parish of St. Mary, State of Louisiana, as of and for the years ended September 30, 1998 and 1999, as listed in the table of contents. Those financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wards 5 & 8 Joint Sewerage Commission as of September 30, 1998 and 1999, and the results of its operations and the cash flows for the proprietary fund for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents, while not considered necessary for a fair presentation of the financial statements, is presented as supplementary analytical data. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to auditing procedures applied in the audit of the financial statements, and in our opinion, the information is fairly stated

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BOARD OF JOINT SEWERAGE COMMISSION  
OF THE  
PARISH OF ST. HENRY  
STATE OF LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

SEPTEMBER 30, 1966 and 1965

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or received, with and other appropriate public officials. This report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 27 1991



WARDS S & S JOINT SERRAVALLO COMMISSION  
 OF THE PARISH OF ST. MARY  
 STATE OF LOUISIANA

BALANCE SHEET - PROPRIETARY FUND TYPE  
 September 30, 1996 and 1995

	<u>9-30-96</u>	<u>9-30-95</u>
<b>ASSETS</b>		
Cash	\$ 348,899	\$ 340,921
Deposits	2,402	4,683
Due from other governmental units	53,951	60,988
Prepaid insurance	16,120	33,481
Property, plant & equipment - Net of accumulated depreciation	<u>379,828</u>	<u>357,328</u>
<b>TOTAL ASSETS</b>	<b>\$ 790,270</b>	<b>\$ 696,819</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ <u>27,928</u>	\$ <u>38,181</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 27,928</b>	<b>\$ 38,181</b>
<b>EQUITY AND OTHER CREDITS</b>		
<b>CONTRIBUTED CAPITAL</b>		
Governmental	\$ 99,119	\$ 99,119
<b>RETAINED EARNINGS</b>		
Unreserved	<u>663,252</u>	<u>559,509</u>
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b><u>762,362</u></b>	<b><u>657,629</u></b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 790,270</b>	<b>\$ 696,819</b>

The accompanying notes are an integral part of these financial statements.

MARIN & S O JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
For the Years Ended September 30, 1996 and 1995

	<u>9-30-96</u>	<u>9-30-95</u>
<b>OPERATING REVENUES</b>		
Charges for services -		
Sewer treatment charges	\$ 609,971	\$ 560,896
<b>OPERATING EXPENSES</b>		
Advertising	\$ 161	\$ 70
Seminars	522	325
Miscellaneous	162	234
Insurance	29,954	34,556
Leak fees	18,880	11,387
Salaries - maintenance	97,914	93,880
Salaries - clerical	3,900	3,900
Accounting	345	385
Audit	2,795	2,495
Utilities	128,768	108,423
Telephone	7,118	6,367
Maintenance - sewer system	47,382	60,385
Grass cutting	7,408	5,475
Retirement	2,562	3,521
Taxes	1,088	1,301
Office supplies	1,827	862
Truck expenses	8,144	3,688
Chemicals	18,341	31,337
Supplies	7,691	9,136
Board meetings	2,258	2,000
Engineering fees	15,012	9,220
Depreciation	12,281	28,428
Water surveillance	8,328	18,448
Seismic survey	---	8,888
Uniforms	<u>1,338</u>	<u>---</u>
<b>Total Operating Expenses</b>	<u>692,418</u>	<u>678,628</u>
<b>OPERATING INCOME</b>	<b>\$ 117,553</b>	<b>\$ 128,468</b>

The accompanying notes are an integral part of these financial statements.

BOARD 5 & 6 JOINT SEWERAGE COMMISSION  
 OF THE PARISH OF ST. MART  
 STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND TYPE  
 For the Years Ended September 30, 1996 and 1995

	9-30-96	9-30-95
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	\$ 2,190	\$ 4,987
Total Non-Operating Revenues and Expenses	7,190	4,987
NET INCOME	\$ 124,743	\$ 133,466
RETAINED EARNINGS		
Beginning of year	518,933	405,046
End of year	\$ 643,253	\$ 538,508

The accompanying notes are an integral part of these financial statements.

BOARD 5 & 6 JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
For the Years Ended September 30, 1994 and 1995

	<u>9-30-95</u>	<u>9-30-94</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from service users	\$ 516,545	\$ 562,874
Cash payments to employees	( 57,814)	( 51,485)
Cash payments for operating services	<u>226,225</u>	<u>283,887</u>
Net cash provided by operating activities	\$ 232,506	\$ 127,502
<b>CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Deposit refund	\$ 2,281	\$ ---
Acquisition of capital assets	( 47,061)	( 51,302)
Contributed capital	<u>---</u>	<u>4,518</u>
Net cash (used) for capital and related financing activities	( 44,800)	( 46,784)
<b>CASH FLOWS FROM NON-OPERATING REVENUES AND EXPENSES:</b>		
Interest income	\$ 7,120	\$ 4,867
Net cash provided by nonoperating revenues and expenses	<u>7,120</u>	<u>4,867</u>
Net increase in cash equivalents	\$104,776	\$ 125,585
Cash and cash equivalents at beginning of year	<u>248,821</u>	<u>113,028</u>
Cash and cash equivalents at end of year	\$ 345,599	\$ 248,613

The accompanying notes are an integral part of these financial statements.

WARDS 5 & 8 JOINT SEWERAGE COMMISSION  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
September 30, 1996 and 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wards 5 & 8 Joint Sewerage Commission was established in May, 1984, by intergovernmental agreement joint venture between the participants: the Town of Berwick, the City of Patterson, the Parish of St. Mary, and Sewerage District No. 2 of the Parish of St. Mary, State of Louisiana. The Commission's sole responsibility and duty is to maintain, operate, and administer the sewerage treatment facility that is jointly owned by the participants.

During the year ended September 30, 1995, the St. Mary Parish Council entered into an agreement to transfer their ownership interest in the sewerage treatment facility to two of the Parish Council's component units, Sewerage District No. 2 and Sewerage District No. 8. Both of these component units of the Parish of St. Mary are currently participants in the funding of the operations of Wards 5 & 8 Joint Sewerage Commission.

The following participants funded the operations of Wards 5 & 8 Joint Sewerage Commission as of September 30, 1996 & 1995.

1. Town of Berwick
2. City of Patterson
3. Sewerage District No. 2
4. Sewerage District No. 8

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 28:519 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the Industry audit guide, Manual of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A) Fund Structure:

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of