

WATERWORKS DISTRICT NO. 2 OF WEST BATON ROUGE PARISH
BOULAY, LOUISIANA
BALANCE SHEETS
PROPRIETARY FUND TYPE—ENTERPRISE FUND
JUNE 30, 1988 WITH COMPARATIVE TOTALS AT JUNE 30, 1985

CREDIT A

	1988	1985
ASSETS		
Current Assets		
Cash and cash equivalents	\$407,327	502,185
Accounts receivable	18,076	14,785
Prepaid expenses	2,243	3,862
Total Current Assets	427,646	520,832
Restricted Assets		
Cash and cash equivalents	137,454	138,378
Property, Plant, and Equipment		
Net of accumulated depreciation	791,308	726,408
TOTAL ASSETS	\$1,356,448	\$975,478
LIABILITIES AND FUND EQUITY		
Payable from current assets		
Accounts payable	\$15,585	\$15,176
Other current liability	345	382
	16,030	15,558
Payable from restricted assets		
Customer deposits	22,484	21,228
Total Current Liabilities	38,514	36,786
Fund Equity		
Retained earnings—restricted	176,808	\$176,808
Retained earnings—unrestricted	873,648	877,632
Total Fund Equity	1,050,456	1,054,440
TOTAL LIABILITIES AND FUND EQUITY	1,356,448	975,478

The accompanying notes are an integral part of this statement.

To the Board of Commissioners
Waterworks District #2
of West Baton Rouge Parish, Louisiana
Broussard, Louisiana

COMPLIANCE—GOVERNMENT ACCOUNTING OFFICE

We have audited the general purpose financial statements of the Waterworks District #2 of West Baton Rouge Parish, Louisiana, a component unit of the West Baton Rouge Police Jury, as of and for the year ended June 30, 1998, and have issued our report thereon dated August 14, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Waterworks District #2 of West Baton Rouge Parish, Louisiana, is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with each provision. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors, management, and Federal regulatory bodies. However, this report is a matter of public record and its distribution is not limited.



Hugh F. Basley
August 14, 1998

INTERNAL CONTROL--GOVERNMENT ACCOUNTING OFFICE

American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we considered to be a material weakness as defined above.

This report is prepared for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Robert W. Taylor
Birmingham, Louisiana
August 14, 1996



HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/CFE
Charles D. Mathews, CPA
Margaret A. Frickman, CPA

To the Board of Commissioners
Waterworks District #2
of West Baton Rouge Parish
Bossier, Louisiana 70719

INTERNAL CONTROL—GOVERNMENT ACCOUNTING OFFICE

We have audited the accompanying general purpose financial statement of the Waterworks District #2 of West Baton Rouge Parish, Louisiana, a component unit of the West Baton Rouge Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 14, 1996.

We conducted the audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Waterworks District #2 of West Baton Rouge Parish, Louisiana 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 unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors and irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Waterworks District #2 of West Baton Rouge Parish, Louisiana, for the year ended June 30, 1996, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the

HFB

HUGH F. BASLEY, CPA
A Professional Accounting Corporation

Hugh F. Basley, CPA/CFE
Charles D. Matthews, CPA
Margaret A. Pittsford, CPA

To the Board of Commissioners
Waterworks District #2
of West Baton Rouge Parish
Broussard, Louisiana 70719

We have audited the accompanying general purpose financial statements of the Waterworks District #2 of West Baton Rouge Parish, Louisiana, a component unit of the West Baton Rouge Parish Police Jury, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District'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 and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments." Those standards and OMB Circular A-133 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District #2 of West Baton Rouge Parish, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Waterworks District #2 of West Baton Rouge Parish, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited", on which we express no opinion has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Hugh F. Basley
Broussard, Louisiana
August 14, 1999

**WATERWORKS DISTRICT #2 OF WEST BATON ROUGE PARISH
BRUSLY, LOUISIANA
JUNE 30, 1998**

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	-	1
Internal Control-GAO	-	2-3
Compliance-GAO	-	4
FINANCIAL STATEMENTS		
Balance Sheets	A	5
Statements of Revenues, Expenses and Changes in Retained Earnings	B	6
Statements of Cash Flows	C	7
NOTES TO FINANCIAL STATEMENTS	-	8-11
SUPPLEMENTAL INFORMATION	-	12
Compensation Paid to Members of the Board of Commissioners	1	13
Operating Statistics	2	14
Insurance Coverage	3	15

**WATERWORKS DISTRICT #2 OF WEST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS**

Principles Determining the Scope of the Reporting Entity

For financial statement reporting purposes, in conformance with National Council on Governmental Accounting (NCGA) Statement 3, as recognized by the Governmental Accounting Standards Board (GASB) Codification Section 2100, the District includes all funds over which it exercises oversight responsibility. Oversight responsibility is determined on the basis of the following criteria:

- Financial interdependency*
- Selection of governing authority*
- Designation of management*
- Ability to significantly influence operations*
- Accountability for fiscal matters*

Based on the application of NCGA Statement 3 criteria, the District is determined to be a component unit of the West Baton Rouge Parish Police Jury, the oversight unit, to form the financial reporting entity.

Accounts Receivable

Uncollectible amounts due for water billings are recognized as bad debts through use of an allowance account or directly charged off at the time information becomes available which would indicate that the particular receivable is not collectible. At June 30, 1995 and June 30, 1996, there was no allowance as all accounts were judged to be collectible.

Revenues are recognized in the accounting period in which they are earned; accordingly, revenues for water services are accrued through June 30.

The District has entered into agreements with the Town of Erady and the West Baton Rouge Parish Police Jury whereby it bills for sewerage and garbage fees, respectively. Such fees and related receivables are not included in these financial statements.

Restricted Assets

Restricted assets represent funds held for customer deposits, future capital expenditures, and emergency maintenance and repairs.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at historical cost. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Distribution systems	10-20 years
Equipment	5 years

EXHIBIT B

WATERWORKS DISTRICT NO. 2 OF WEST BATOR ROUGE PARISH
DELRAY, LOUISIANA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE—ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
OPERATING REVENUE		
Charges for service	\$163,851	\$166,000
Installation and reconnection fees	17,373	12,506
Penalties	<u>6,000</u>	<u>6,827</u>
TOTAL OPERATING REVENUE	<u>287,224</u>	<u>285,333</u>
OPERATING EXPENSES		
Depreciation	30,070	34,070
Maintenance	8,348	10,140
Order	32,933	32,070
Personnel	67,683	68,182
Utilities	<u>18,080</u>	<u>18,480</u>
TOTAL OPERATING EXPENSES	<u>157,114</u>	<u>163,362</u>
OPERATING INCOME (LOSS)	130,110	121,971
NON-OPERATING REVENUE		
Interest income	<u>3,704</u>	<u>4,353</u>
NET INCOME	133,814	126,324
RETAINED EARNINGS, BEGINNING OF YEAR	<u>202,813</u>	<u>202,813</u>
RETAINED EARNINGS, END OF YEAR	<u>336,628</u>	<u>332,137</u>

The accompanying notes are an integral part of this statement.

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**WATERWORKS DISTRICT #2
OF WEST BATON ROUGE PARISH
BRUSLY, LOUISIANA**

ANNUAL FINANCIAL REPORT

JUNE 30, 1956

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

Release Date OCT 02 1956

**WATERWORKS DISTRICT #2 OF WEST BATON ROUGE PARISH
BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 1996 AND JUNE 30, 1995**

NOTE A: THE ENTITY

Waterworks District #2 of West Baton Rouge Parish, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 33:3815. The District was established to provide water service to the residents of certain parts of West Baton Rouge Parish, as designated in the resolutions and subsequent amendments to the boundaries. The District is governed by a Board of Commissioners, appointed by the West Baton Rouge Parish Police Jury and the Town of Brusly, Louisiana.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Fund Accounting

The principles of fund accounting require that the accounts of organizations be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are controlled. The financial statements of the District are reported under one proprietary fund type and is subclassified as an enterprise fund.

A proprietary fund type-enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided the 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 expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The proprietary fund (enterprise fund) is accounted for on a cost of service or capital maintenance measurement focus. Accordingly, the proprietary fund is accounted for using the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when they are incurred. The operating revenue of the District, which is based upon rates authorized by the governing board, is determined by billings to customers.

WATERWORKS DISTRICT NO. 2 OF WEST BATON ROUGE PARISH
BRUSLY, LOUISIANA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND TYPE—ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$59,221	\$25,947
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	26,600	24,673
(increase) decrease in accounts receivable	(3,271)	(2,897)
(increase) decrease in prepaid expenses	619	378
Increase (decrease) in accounts payable	(2,191)	(2,308)
Increase (decrease) in other current liability	148	158
Increase (decrease) in customer deposits	1,186	828
Total adjustments	<u>32,132</u>	<u>35,032</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$91,353</u>	<u>\$61,079</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition and construction of property	(71,880)	(60,873)
NET CASH (USED) BY CAPITAL ACTIVITIES	<u>(71,880)</u>	<u>(60,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in restricted assets	(1,186)	(828)
Interest received on cash and investments	3,796	4,080
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4,610</u>	<u>3,411</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>18,083</u>	<u>23,617</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>\$1,365</u>	<u>\$8,798</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$19,448</u>	<u>\$32,415</u>

The accompanying notes are an integral part of this statement.

**WATERWORKS DISTRICT #2 OF WEST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS**

Compensated Absence

All employees and other personnel are part-time. Accordingly, vacation and sick pay expenses are not incurred.

Cash Equivalents

For purposes of the statements of cash flows, liquid investments, excluding restricted assets, with a maturity of three months or less, are considered to be cash equivalents.

NOTE C: CASH AND RELATED COLLATERAL

At June 30, 1995 and June 30, 1996, the District's cash balances totaled \$244,791 and \$226,443, respectively. The related bank balances were \$248,930 for 1995 and \$228,852 for 1996. The bank balances at June 30, 1996 and June 30, 1995 were secured by federal depository insurance and collateral held by custodial banks in the District's name.

The collateral pledged consisted of obligations of U.S. agencies with fair values of \$250,000 for June 30, 1996 and \$150,000 for June 30, 1995. The market value of these securities was approximately \$253,303 and \$154,437 for June 30, 1996 and June 30, 1995, respectively.

NOTE D: RESTRICTED ASSETS

Restricted assets of \$137,464 at June 30, 1996 consisted of \$115,000 of interest bearing and non-interest bearing deposits for future capital expenditures and emergency maintenance and repairs, and \$22,464 of non-interest bearing deposits for customers' meter deposits.

Restricted assets of \$136,270 at June 30, 1995 consisted of \$115,000 of interest bearing and non-interest bearing deposits for future capital expenditures and emergency maintenance and repairs, and \$21,270 of non-interest bearing deposits for customers' meter deposits.

NOTE E: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and the related accumulated depreciation for the years ended June 30, 1995 and June 30, 1996 are as follows:

	<u>1995</u>	<u>1996</u>
Land	\$ -	\$ 500
Water system	1,288,624	1,218,824
Office equipment	8,791	8,791
Building	2,280	-
	<u>1,299,695</u>	<u>1,228,115</u>
Less accumulated depreciation	<u>(928,000)</u>	<u>(891,779)</u>
Net property, plant and equipment	<u>\$371,695</u>	<u>\$336,336</u>

**WATERWORKS DISTRICT #2 OF WEST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS**

Depreciation expense was \$38,879 and \$34,873 for the years ended June 30, 1998 and June 30, 1995, respectively.

NOTE F) RELATED PARTY TRANSACTIONS

For the years ended June 30, 1998 and June 30, 1995, the District omitted collections to other governmental agencies for services provided by the units. Such fees are not included in these financial statements and are as follows:

	<u>1998</u>	<u>1995</u>
West Baton Rouge Parish	<u>\$161,850</u>	<u>\$105,000</u>
Town of Thibodaux, Louisiana	<u>\$117,245</u>	<u>289,000</u>

NOTE G: SEGMENT INFORMATION

The following is a list of key segment information for the enterprise fund.

	<u>1998</u>	<u>1995</u>
Operating income	\$285,903	\$ 957,407
Depreciation	38,879	34,873
Operating income	324,782	1,037,007
Non-operating revenue	4,784	4,000
Net income	329,566	1,045,007
Total assets	1,605,448	\$51,478
Net working capital	85,054	89,548
Fund equity	920,394	955,930

SUPPLEMENTAL INFORMATION

SCHEDULE 1

WATERBORNE DISTRICT NO. 2 OF WEST BATON ROUGE PARISH
 BRISLY, LOUISIANA
 COMPENSATION PAID TO MEMBERS OF THE BOARD OF COMMISSIONERS
 JUNE 30, 1996

<u>COMMISSIONER</u>	<u>MEETINGS ATTENDED</u>	<u>COMPENSATION</u>
Michael Abouze	3	500
Felice Crockett, Jr.	12	700
Adge Landry	13	700
Wilbert Morales, Jr.	12	700
Daryl Rubin	14	800
		<u>\$3,100</u>

Per diem paid to the commissioners was \$80 per meeting throughout the year ended June 30, 1996.

SCHEDULE 2

**WATERWORKS DISTRICT #2 OF WEST BATON ROUGE PARISH
BRUSLY, LOUISIANA
OPERATING STATISTICS
JUNE 30, 1996
(UNAUDITED)**

Records maintained by the District indicated that there were 1,835 customers at June 30, 1996.
Water rates at June 30, 1996 were as follows:

0 - 2,000 gallons	\$4.00 minimum
2,001 - 6,000 gallons	.60/thousand gallons
6,001 - 14,000 gallons	.65/thousand gallons
14,001 - 40,000 gallons	.70/thousand gallons
40,001 gallons and over	.80/thousand gallons

**WATERWORKS DISTRICT NO. 3 OF WEST BAYOU ROUGE PARISH
BRUYLE, LOUISIANA
INSURANCE COVERAGE
JUNE 30, 1990
(UNAUDITED)**

<u>POLICY PERIOD</u>	<u>INSURER</u>	<u>COVERAGE</u>
11/03/90 - 11/03/90	Fidelity Insurance	Fire and lightning coverage: \$400,000; \$1,000 deductible; 50% co-insurance on losses located at 132 East Diane Street, Bruyle, LA
11/03/90 - 11/03/90	Fidelity Insurance	Public employees blanket bond: \$25,000
07/01/85 - 06/30/90	Louisiana Workers' Compensation Corporation	Workers' compensation: statutory limits
11/03/90 - 11/03/90	Balance Insurance	Robbery policy: \$1,000
11/03/90 - 11/03/90	Balance Insurance	Theft, disappearance and destruction policy: \$10,000 each occurrence
11/03/90 - 11/03/90	National Union Fire Insurance	Public officials liability policy: \$1,000,000 each occurrence
11/03/90 - 11/03/90	Balance Insurance	General liability and completed operations: \$1,000,000