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West Baton Rouge Parish
Water Works District No. 2
Brazier, Louisiana

Annual Financial Report
Year ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 10/12/97

West Baton Rouge Parish Water Works District No. 3
Broussard, Louisiana
Annual Financial Report
Year ended June 30, 1997

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INDEPENDENT AUDITOR'S REPORT

To: Mr. Arlyn Landry, President
and Members of the Board of Commissioners
West Baton Rouge Parish Water Works District No. 2
Broussard, Louisiana 70719

I have audited the accompanying general purpose financial statements of the West Baton Rouge Parish Water Works District No. 2, a component unit of the West Baton Rouge Parish Public Jury, as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of West Baton Rouge Water Works District No. 2 as of June 30, 1996, were audited by other auditors whose report dated August 14, 1996, expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Baton Rouge Parish Water Works District No. 2 as of June 30, 1997, 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.

My audit was made for the purpose of forming and opinion on the financial statements taken as a whole. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the West Baton Rouge Parish Water Works District No. 2. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to such statements taken as a whole.

W. Kathleen Beard

W. Kathleen Beard
November 20, 1997

H. Kathleen Brand
Certified Public Accountant
270 East Main Street - P. O. Box 511
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**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Mr. Arlen Landry, President
and Members of the Board of Commissioners
West Baton Rouge Parish Water Works District No. 2
Broussard, Louisiana 70019

I have audited the financial statements of the West Baton Rouge Parish Water Works District No. 2 for the year ended June 30, 1997, and have issued my report thereon dated November 20, 1997.

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

The management of West Baton Rouge Parish Water Works District No. 2 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgment 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 authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or 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 my audit of the financial statements of the West Baton Rouge Parish Water Works District No.2, for the year ended June 30, 1997, I obtained an understanding of its internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL - GOVERNMENT ACTIVITIES
STATEMENTS (CONTINUED)

My 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 American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



W. Kathleen Ward
November 20, 1997

W. Kathleen Brand
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Mr. Arlen Landry, President
and Members of the Board of Commissioners
West Baton Rouge Parish Water Works District No. 2
Houma, Louisiana 70719

I have audited the financial statements of the West Baton Rouge Parish Water Works District No. 2 as of and for the year ended June 30, 1997, and have issued my report thereon dated November 20, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the West Baton Rouge Parish Water Works District No. 2 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

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

This report is intended for the information of management and the Legislative Auditors of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

W. Kathleen Brand

W. Kathleen Brand
November 20, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS
Combined Statements Overview

West Baton Rouge Parish - Water Works - District No. 2
 Thibodaux, Louisiana
 Proprietary Fund Type - Enterprise Fund
 Balance Sheet
 June 30, 2007 and 2006

Sheet A

	2007	Revised 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$6,000	\$107,327
Accounts receivable - customers	58,280	32,080
Prepaid expense	2,410	2,243
Other receivables - La. DOTD	71,040	0
Total Current Assets	137,730	141,650
Restricted Assets:		
Cash and cash equivalents	270,687	137,404
Deferred compensation benefit investments	82,191	53,026
Total Restricted Assets	352,878	190,430
Property, Plant and Equipment Net of accumulated depreciation	383,111	751,330
TOTAL ASSETS	\$1,264,709	\$1,084,200

LIABILITIES AND FUND EQUITY

Current Liabilities:		
Payable from Current Assets -		
Accounts payable	\$8,287	\$7,153
Due to other governmental agencies	18,020	15,280
Payroll tax withheld and payable	1,425	340
Credit cards payable	71,040	0
Forfeiture payable	50,418	0
Payable from Restricted Assets -		
Customer deposits	25,267	27,404
Deferred compensation plan employees	82,191	53,026
Total Current Liabilities	236,711	98,203
Fund Equity:		
Retained Earnings -		
Restricted	258,580	115,000
Unreserved	762,125	891,041
Total Retained Earnings	1,048,625	906,041
Total Fund Equity	1,048,625	906,041
TOTAL LIABILITIES AND FUND EQUITY	\$1,264,709	\$1,084,200

The accompanying notes to the financial statements are an integral part of this statement.

West Baton Rouge Parish Water Works District No. 2
Broussard, Louisiana
Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Fund Type - Enterprise Fund
Years ended June 30, 1997 and 1996

Exhibit D

		Retained Earnings
	1997	1996
OPERATING REVENUE		
Charges for services		
Installation and reconnection fees	\$214,748	\$183,851
Penalties	15,828	11,272
	8,794	6,850
Total operating revenue	239,370	202,973
OPERATING EXPENSES		
Depreciation	28,311	28,579
Maintenance	15,189	8,948
Office	23,243	22,502
Personnel	32,880	34,083
Utilities	18,847	15,000
Total Operating Expense	179,259	127,832
OPERATING INCOME (LOSS)	60,111	75,141
NON-OPERATING REVENUE		
Interest revenue	5,947	1,768
Accounts receivables - La DOTD	238,932	0
Total Non-operating Revenue	244,879	1,768
NON-OPERATING EXPENSE		
Liability loss revaluation expenses	247,307	0
Total Nonoperating Expenses	247,307	0
NET INCOME (LOSS)	62,584	76,911
RETAINED EARNINGS - BEGINNING	\$98,041	\$48,029
RETAINED EARNINGS - ENDING	\$160,625	\$124,940

The accompanying notes to the financial statements are an integral part of this statement.

West Station Rouge Plain Water Works District No. 2
 Busby, Louisiana
 Proprietary Fund Type - Irrigation Fund
 Statement of Cash Flows
 Years ended June 30, 1997 and 1996

Exhibit C

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by operating activities -		
Net operating income (loss)	\$17,382	\$80,271
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	30,271	36,879
Adjustment of excess accumulated depreciation	(770)	0
Change in Assets and Liabilities -		
(Increase) Decrease in accounts receivable	(2,300)	(2,311)
(Increase) Decrease in prepaid insurance	(770)	819
Increase (decrease) in accounts payable	4,384	(2,151)
Increase (decrease) in payroll taxes payable	1,082	(90)
Increase (decrease) in customer deposits	925	1,108
Net Cash Provided by (Used for) Operating Activities	68,584	82,304
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of property	(81,874)	(71,000)
Reimbursements from LA DOTD	298,002	0
LIBBY relocation payments	(247,207)	0
(Increase) Decrease in other receivables - DOTD reimbursements	(71,948)	0
Increase (decrease) in other payables - construction costs	62,555	0
Net Cash Provided by (Used for) capital financing activities	(91,874)	(71,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in restricted cash and cash equivalents	(142,423)	(1,186)
Interest received on cash and investments	5,017	5,784
Net Cash Provided by (Used for) investing Activities	(137,770)	4,598
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(67,060)	15,902
CASH AND CASH EQUIVALENTS, BEGINNING	307,307	82,906
CASH AND CASH EQUIVALENTS, ENDING	\$4,000	\$117,327

The accompanying notes to the financial statements are an integral part of this statement.

West Baton Rouge Parish Water Works District No. 2
Baton Rouge, Louisiana
Notes to the Financial Statements
Year ended June 30, 1990

Introduction

West Baton Rouge Parish Water Works District No. 2 was created by the West Baton Rouge Parish Police Jury as provided by Louisiana Revised Statutes 33:3811 - 3821. The "District" is governed by a board of commissioners, appointed by the Police Jury. The District is responsible for providing water service within the boundaries of District No. 2.

The accounting and reporting policies of the District relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audit of State and Local Governments' Finis*, and by the Financial Accounting Standards Board (where applicable). As allowed in Section 190 of GASB's *Codification of Governmental Accounting and Financial Reports: Standards*, the District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the District are described below.

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board Codification Section 2100 established criteria for determining which component units should be considered part of the West Baton Rouge Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization, neither the potential for including a potential financial benefits to or impose specific financial burdens on the police jury; (2) organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury; and (3) organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

West Basin Rouge Parish Water Works District No. 7
Broussard, Louisiana
Notes to the Financial Statements
Year ended June 30, 1997

I. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Because the West Basin Rouge Parish Police Jury appoints the governing board and because of the scope of public service, the District is deemed to be a component unit of the West Basin Rouge Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility.

The accompanying financial statements present only information on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

B. Basis of Presentation (Fund Accounting)

The District is organized and operated on the basis of funds whereby a separate self-balancing set of accounts (Enterprise Fund) is maintained that comprise its assets, liabilities, fund equity, revenue and expense. The operations are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is used to account for water services provided to the residents and businesses within the District.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise fund, as reported in the accompanying financial statements has been reported on the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

Unexpended insurance at the end of the year is recorded as a current asset. Salaries and other operating expenses are recorded as current expenses when they are incurred.

D. Budgetary Practices

The District uses budgets for management purposes but does not utilize any formal budgetary controls in its reporting system.

West Basin Recharge Purification Works (District No. 2)
Notes to the Financial Statements
Year ended June 30, 1997

I. Summary of Significant Accounting Policies (Continued)

E. Circumstances

Circumstance accounting is not employed by the District.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all unrestricted cash in banks (demand deposits, interest-bearing demand deposits and money market accounts) and highly liquid investments, having a maturity of three months or less when purchased are considered to be cash equivalents.

G. 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, 1997 and 1996 there was an allowance as all accounts were judged to be collectible.

III. Fixed Assets

The cost of property, plant and equipment, including significant betterments to existing facilities, and infrastructure is recorded in the enterprise fund on its balance sheet. Interest costs during construction are capitalized. Depreciation of all depreciable fixed assets are charged as an expense against operations and has been computed under the straight-line method based on the estimated useful lives of the individual assets. Estimated useful lives are as follows:

Office equipment	5 years
Distribution	10 - 30 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Deferred assets are valued at their estimated fair value on the date donated.

I. Compensated Absence

Full time employees are granted paid vacation leave, which must be used by December 31 or lost.

J. Reclassification

Certain 1996 balances have been reclassified to conform with the 1997 financial statement presentation.

West Baton Rouge Parish Water Works District No. 2
 Brandy, Louisiana
 Notes to the Financial Statements
 Year ended June 30, 1997

2. Cash and Related Collateral

Under state law the District may deposit funds in demand deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 1997 the carrying amount of the District's deposits was \$288,825, and the bank balances were 5296.47%, in which \$199,639 was covered by federal depository insurance. The remaining balance of \$88,837 was covered by collateral held by collateral banks in the bank's name (note Category 3).

3. Restricted Assets

Restricted assets of \$382,038 at June 30, 1997 consist of \$296,500 of interest bearing and non-interest bearing deposits for future capital expenditures and emergency maintenance and repair, \$23,887 of non-interest bearing deposits for customer deposits and investment in employees deferred compensation plan of \$62,151.

4. Accounts Receivable

At June 30, accounts receivable from customers is comprised of the following:

	1997	1996
Water	\$ 31,517	\$ 18,076
Garbage	... 18,952	... 14,830
	\$ 36,389	\$ 32,906

The District has entered into agreements with the Town of Brandy and the West Baton Rouge Parish Police Jury whereby it bills for sewerage and garbage fees, respectively. Sewerage fees and related receivables are not included in these financial statements, related liabilities to the town and parish represent only the uncollected sewer fees that have been collected through June 30.

Garbage fees receivable and the related liability for remittance of fees to the parish are reported since remittances are based on billings rather than collections. The amount remitted to the parish equals the current month charge to customer, currently \$10.20, less the District's collection fee of \$.33 times the number of customers billed.

West Baton Rouge Parish Water Works District No. 2
Broussard, Louisiana
Notes to the Financial Statements
Year ended June 30, 1997

5. Property, Plant and Equipment -

The following is a summary of the changes in property, plant and equipment:

	Balance 11/1/96	Additions	Deletions	Balance 6/30/97	Accumulated Depreciation	Book Value 6/30/97
Water System	\$1,188,824	\$ 58,762	\$ 0	\$ 1,247,586	\$ 569,014	\$ 678,572
Office Equipment	8,761	2,371	1,802	9,330	7,114	2,216
Building	2,280	0	0	2,280	503	1,777
	\$1,199,865	\$ 61,133	\$ 1,802	\$ 1,258,996	\$ 576,627	\$ 682,369

6. Deferred Compensation Plan

The District adopted a deferred compensation plan for its employees in accordance with Internal Revenue Code Section 457. The District does not make any contributions to the plan, and benefits are held by a third-party insurer in individual accounts for the participants. The deferred compensation is not available to employees until termination, retirement, death, or emergency situations approved under the plan. All amounts of compensation deferred under the plan, and all income attributable to those amounts, are solely the property of the District, subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of District management that the District has no liability for benefits under the plan but does have duty of due care that would be required of an ordinary prudent investor.

West Baton Rouge Parish Water Works District No. 2
Broussard, Louisiana
Notes to the Financial Statements
Year ended June 30, 1997

7. Related Party Transactions

For the years ended June 30, 1997 and 1996, the District received collections from other governmental agencies for services provided by the units. Such fees are not included in these financial statements and are as follows:

	1997	1996
West Baton Rouge Parish	\$197,647	\$163,056
	(100,000,000.00)	(100,000,000.00)
Town of Broussard, Louisiana	\$139,508	\$ 99,058
	(100,000,000.00)	(100,000,000.00)

Amounts payable at June 30, 1997 and 1996 are as follows:

	1997	1996
West Baton Rouge Parish	\$ 14,989	\$ 13,891
	(100,000,000.00)	(100,000,000.00)
Town of Broussard, Louisiana	\$ 2,500	\$ 4,578
	(100,000,000.00)	(100,000,000.00)

8. Commitments

The District has a construction project in progress to relocate utility lines along U.S. Highway 1. At June 30, 1997 the construction and engineering contract commitments amounted to \$242,837. The project is funded by the Louisiana Department of Transportation and Development.

9. Prior Period Adjustment - Restatement of Prior Year

Prior year totals were restated to reflect adjustment of accounts receivable to include garbage fees due from customers in the amount of \$14,838 and to record the liability for payment of fees due for garbage in the amount of \$13,674.68. The resulting adjustment to fund balance was \$7,892.81. There was no effect upon net income for the current or prior period.

SUPPLEMENTARY INFORMATION

Concurrent Resolution No. 24 of the 1977 Session of the Legislature.

The per diem of the board members is included in the operating expenses of the enterprise fund. In accordance with Louisiana Revised Statute 33:3819, each member received \$60 for each regular monthly meeting they attended.

Board Member	Amount
Artem Luskay, President	
Mary Williams	\$750
Miss Allerman	450
Daryl Holton	780
Sylvia Jones	480
William Crayton, Jr.	360
Total	<u>\$2,820</u>

W.B.M.W.W. DIST. NO. 2