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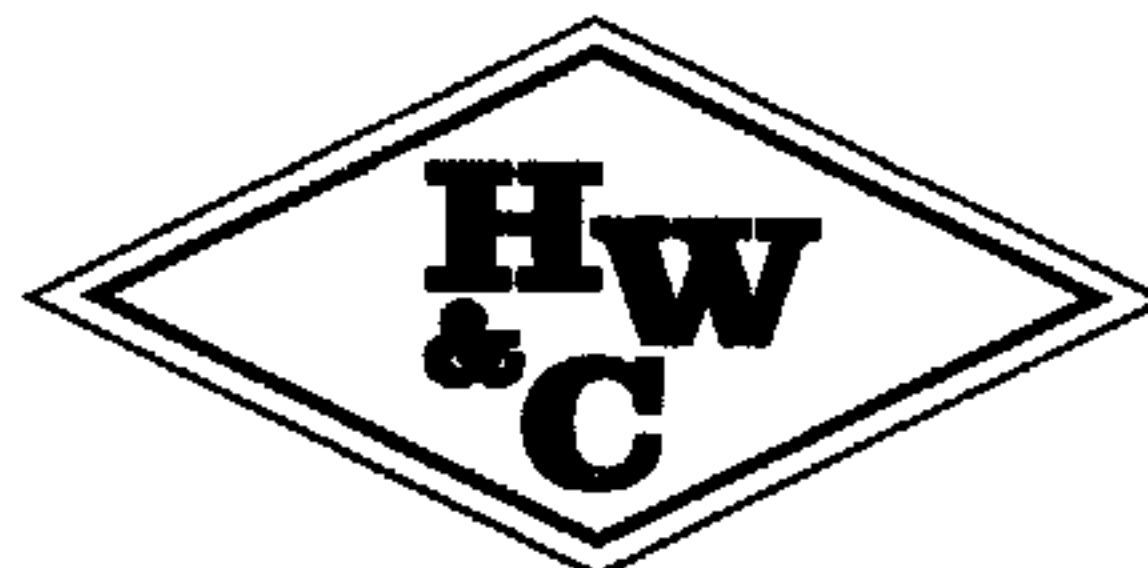
**West Baton Rouge Parish Council
Port Allen, Louisiana
December 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8/18/04

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**West Baton Rouge Parish Council
Port Allen, Louisiana
December 31, 2003**

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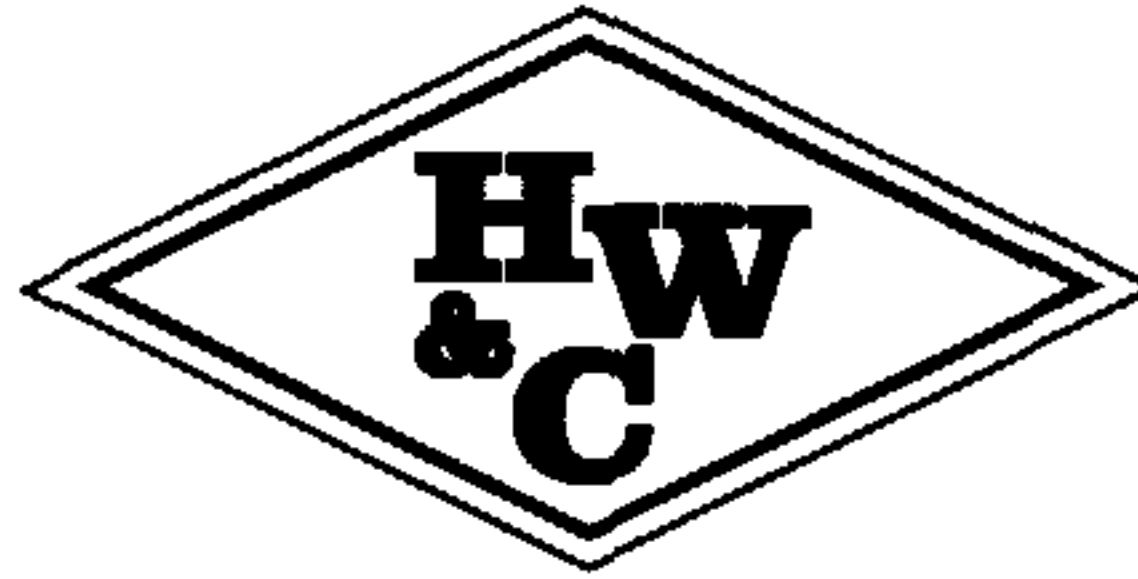
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June 30, 2004

Independent Auditor's Report

West Baton Rouge Parish Council
Port Allen, Louisiana

Board Members:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the

**West Baton Rouge Parish Council
Port Allen, Louisiana**

as of and for the year ended December 31, 2003, which collectively comprise the West Baton Rouge Parish Council's basic financial statements of the primary government as listed in the table of contents. These financial statements are the responsibility of West Baton Rouge Parish Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the West Baton Rouge Parish Council, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the West Baton Rouge Parish Council's legal entity. The financial statements do not include financial data for the West Baton Rouge Parish Council's legally separate component units,

which accounting principles generally accepted in the United States of America require to be reported with the financial data of the West Baton Rouge Parish Council's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the West Baton Rouge Parish Council, as of December 31, 2003, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the West Baton Rouge Parish Council has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as of December 31, 2003.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of the West Baton Rouge Parish Council, as of December 31, 2003, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2004, on our consideration of the West Baton Rouge Parish Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 6 through 12, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Baton Rouge Parish Council's basic financial statements for the primary government. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the West Baton Rouge Parish Council. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Your's truly,

Hawthorn, Waymouth & Carroll L.L.P.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

INTRODUCTION

Management's Discussion and Analysis provides a narrative discussion of the Council's financial activity as a whole for the year ended December 31, 2003 with comparisons to the prior year, where appropriate. The information complements the data presented in the basic financial statements. We encourage readers to consider the information presented herein conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- West Baton Rouge Parish Council's assets exceeded its liabilities at December 31, 2003 by \$49,196,058 (net assets). Of this amount, \$16,088,578 (unrestricted net assets) may be used to meet the Council's ongoing obligations to its citizens and creditors.
- The Council's capital assets include \$38,773,792 for infrastructure, roads, equipment and buildings.
- The Council's total net assets increased \$2,014,225 over the previous year with all the increase coming from governmental activities.
- At December 31, 2003, West Baton Rouge Parish Council's governmental funds statements reported combined ending fund balances of \$14,596,023, a decrease in total fund balance from the previous calendar year of \$701,695. The majority of the decrease in combined ending fund balance is due to capital outlay expenses.
- The General Fund, the Council's primary operating fund, reported an unreserved fund balance of \$5,700,139 and a decrease in total fund balance from the previous calendar year of \$249,391.
- Total bonded debt increased from the prior calendar year by \$1,795,000. There was one new bond issue in 2003. This was \$2,100,000 in Road Improvement revenue bonds. These bonds are secured by excess revenue from the General Fund.

OVERVIEW

This discussion and analysis is intended to serve as an introduction to the Council's financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

Government-Wide Financial Statements (Continued)

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest expenses, uncollected taxes).

Both of these government-wide financial statements distinguish functions of the Council that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Council include legislative, judicial, elections, general government, public safety, roads, drainage, engineering, parks and recreation, health and welfare and economic development.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council are considered governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the calendar year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. A reconciliation to facilitate the comparison between governmental funds and governmental activities is included.

The Council maintains 20 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for these funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

West Baton Rouge Parish has implemented the new financial reporting model used in this report with the current calendar year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss changing financial position of the Council as a whole.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets exceeded liabilities by \$49,196,058 at the close of the calendar year.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

SUMMARY OF NET ASSETS

ACTIVITIES

	Governmental	
Assets		
Current assets	\$18,906,337	32%
Capital assets	<u>40,376,798</u>	<u>68%</u>
<u>Total assets</u>	<u>59,283,135</u>	<u>100%</u>
Liabilities		
Current liabilities	4,310,314	43%
Non-current liabilities	<u>5,776,763</u>	<u>57%</u>
<u>Total liabilities</u>	<u>10,087,077</u>	<u>100%</u>
Net Assets		
Investments in capital assets	31,884,115	65%
Restricted for:		
Debt service	1,109,342	2%
Other purposes	114,023	1%
Unrestricted	<u>16,088,578</u>	<u>32%</u>
<u>Total net assets</u>	<u>49,196,058</u>	<u>100%</u>

The largest portion of the Council's net assets represents its investment in capital assets (i.e. land, buildings, infrastructure, and equipment) less any outstanding debt used to acquire those assets. The Council uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Council's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Council's net assets (i.e. 3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (i.e., \$16,088,578) may be used to meet the government's ongoing obligations to citizens and creditors.

External restrictions may be imposed by creditors (such as through debt covenants), grantors, contributors, or statutory laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Enabling legislation may include ordinances passed by the Council, which requires that revenues collected be spent for particular purposes. Some examples of these restrictions include revenues from sales taxes, correctional sales tax and ad valorem taxes collected for the health unit, community centers, drainage and juvenile detention.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

Since this is the first year in which government-wide information is available, comparative data is not presented.

SUMMARY OF CHANGES IN NET ASSETS

	Governmental Activities
General Revenues	
Program revenues:	
Charges for service	\$1,084,527
Operating grants and contributions	4,300,643
General revenues:	
Taxes	
Ad valorem	2,770,144
Sales and use	5,168,757
Alcoholic beverage	30,976
Video poker	847,973
Licenses and permits	496,752
Interest	353,361
Rent	99,255
Miscellaneous	<u>363,852</u>
<u>Total general revenues</u>	<u>15,516,240</u>
 General Expenses	
General government	2,660,503
Public safety	4,389,404
Public works	4,188,441
Parks and recreation	1,181,931
Health and welfare	564,333
Economic development	53,174
Urban housing	273,476
Interest and fiscal charges on long-term debt	<u>190,753</u>
<u>Total general expenses</u>	<u>13,502,015</u>
 Changes in Net Assets	 2,014,225
 Net Assets, beginning of year	 <u>47,181,833</u>
 Net Assets, end of year	 <u><u>49,196,058</u></u>

Governmental Activities

Governmental activities account for 100% of the Council's net assets. One of the major components of the total revenue collected by governmental activities is taxes. In 2003 taxes accounted for 79% of total general revenue. Of the total taxes, Sales tax accounted for 65%. The sales tax are centrally collected and disbursed based on population. The Council's portion of the two 1% parish wide sales taxes for 2003 was 55% and 56%.

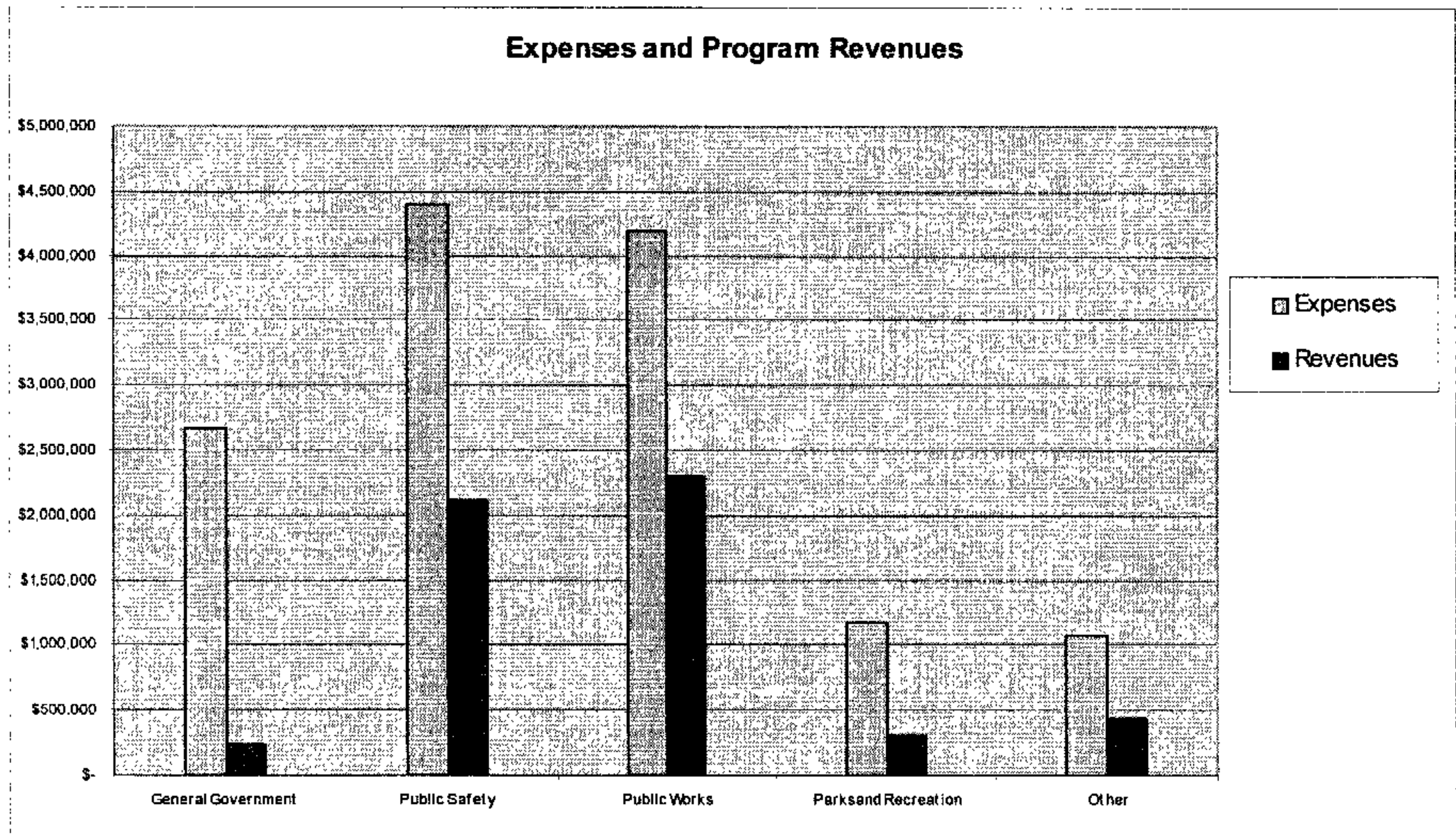
**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

Governmental Activities (Continued)

The Council also has ½ % correctional sales tax which is included in the total taxes above. Ad Valorem is the second largest tax revenue and accounted for 27% of the total general revenue. In 2003, property taxes were assessed at 14.98 mills for all governmental activities which were the same as 2002. The balance of the revenues is derived from video poker licenses, interest, rent and miscellaneous revenues.

For the most part, increases in expenses closely paralleled inflation and the demand for services.

The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self supporting.



Financial Analysis of the Council's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of governmental funds is to provide information to near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the calendar year.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

Governmental Funds (Continued)

The combined ending fund balance for all governmental funds at December 31, 2003 was \$14,596,023. Of this amount, \$13,486,681 was included in unreserved fund balance with the remainder of \$1,109,342 reserved debt service. The combined ending fund balance at the end of 2003 was a net decrease of \$701,695 from the 2002 amount of \$15,297,718.

The unreserved fund balance in the General Fund at December 31, 2003 was \$5,700,139 compared to \$5,949,530 at the end of 2002. The Council's general fund balance decreased by \$249,391 in 2003. The decrease is due in part to the decrease in interest rates affecting our investment income, an economic slowdown affecting sales taxes and an aggressive capital outlay program.

General Fund Budgetary Highlights

Difference between the original budgeted revenues and the final amended budget were \$414,083 (increases in revenues) and can be briefly summarized as follows:

- Total taxes were \$219,142 over budget.
- Total licenses and permits were \$67,006 over budget.
- Total inter-governmental revenue was (\$3,920) under budget.
- Total charges for services were \$67,365 over budget.
- All other revenues were \$64,490 over budget.

Differences between the original budgeted expenses and the final amended budget were \$1,299,900 (decrease in expenses) and can be briefly summarized as follows:

- Total operating expenses were \$389,182 less than budgeted.
- Total transfers out for operations \$84,585 less than budgeted.
- Total capital outlay transfers were \$826,133 less than budgeted, due to projects being delayed to following years.

Capital Assets and Debt Administration

Capital Assets. The Parish's investment in capital assets for its governmental activities as of December 31, 2003 amounts to \$40,376,798 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and roads.

Major capital asset events during calendar year 2003:

- Completion of the renovations to the Port Allen community center \$416,469.66.
- Completion of the renovations to the Court House \$309,806.30.
- Completion of the additions to the Council Building \$159,613.31.
- Purchased land for the communication tower to be completed in 2004 \$282,445.50.
- Road construction and overlays, funded by state matching grant and bonds and general fund \$2,806,658.

**West Baton Rouge Parish Council
Management's Discussion and Analysis
December 31, 2003**

Capital Assets and Debt Administration (Continued)

Capital Assets (Continued)

- Purchase of equipment for various departments \$614,354.08.
- Completion of infrastructure work at all parish parks \$223,123.18.

**WEST BATON ROUGE PARISH FIXED ASSETS
Net of Depreciation**

	<u>2003</u>	<u>2002</u>
Land	\$1,603,006	\$1,320,560
Buildings	17,790,498	17,365,105
Infrastructure	* 19,318,869	
Equipment	1,664,425	1,336,832
Construction in progress	<u> </u>	<u>121,454</u>
<u>Total</u>	<u>40,376,798</u>	<u>20,143,951</u>

*Addition of the parish roads to fixed assets in 2003.

Long-Term Debt: At the end of the calendar year 2003, the Parish had total bonded debt outstanding of \$5,515,000 as compared to \$3,720,000 in prior year. The increase is due to the addition of \$2,100,000 in road revenue bonds for 2003. Of the total bonded debt, there are six separate issues. Of these six, two are secured by either specified revenue sources, such as parish sales tax and parish district taxes of the general fund, and the other four are secured by excess revenue bonds.

Additional notes can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- Return on investments for the upcoming year will continue to produce low rates of return on investments. This not only affects the Parish's revenue from its investment, but has caused the parochial retirement system to increase the employer portion of the retirement from 7.75% to 11.75%.
- The current Consumer Price Index shows a 2.5% increase over last year at this time.
- Sales tax are currently exceeding budgeted projections and on par with prior year collections.
- Ad valorem taxes have shown a moderate but steady growth over the past few year and are expected to continue this trend.
- The Parish will continue to try to find ways to reduce the operating expenditures of the Parish.

Request for Information

Questions concerning any of the information provided in this report or requests for information should be addressed to the Department of Finance, P. O. Box 757, Port Allen, Louisiana 70767.

Basic Financial Statements

West Baton Rouge Parish Council
Statement of Net Assets
December 31, 2003

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and cash equivalents	\$5,349,829
Investments	10,265,672
Taxes receivable	2,783,153
Due from other governments	465,305
Other receivables	42,378
Capital assets	
Non - depreciable	1,603,006
Depreciable	<u>38,773,792</u>
Total assets	<u>59,283,135</u>
 Liabilities	
Accounts payable	269,591
Deferred revenue	2,917,927
Due to other governments	1,076,280
Sales tax escrow	46,516
Non - current liabilities	
Due in one year	411,854
Due in more than one year	<u>5,364,909</u>
Total liabilities	<u>10,087,077</u>
 Net Assets	
Investment in capital assets, net of related debt	31,884,115
Restricted for:	
Debt service	1,109,342
Poydras Endowment	114,023
Unrestricted	<u>16,088,578</u>
Total net assets	<u><u>49,196,058</u></u>

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
Statement of Activities
Year Ended December 31, 2003

	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Total Govern- mental Activities</u>
Function/Program				
Primary Government				
Governmental activities				
General government	\$2,660,503	\$207,195	\$31,580	(\$2,421,728)
Public safety	4,389,404		2,107,915	(2,281,489)
Public works	4,188,441	877,332	1,417,297	(1,893,812)
Parks and recreation	1,181,931		302,284	(879,647)
Health and welfare	564,333		130,593	(433,740)
Economic development	53,174			(53,174)
Urban housing	273,476		310,974	37,498
Interest and fiscal charges on long-term debt	190,753			(190,753)
Total primary government	<u>13,502,015</u>	<u>1,084,527</u>	<u>4,300,643</u>	<u>(8,116,845)</u>
General revenue				
Taxes				
Ad valorem				2,770,144
Sales and use				5,168,757
Alcoholic beverage				30,976
Video poker				847,973
Licenses and permits				496,752
Interest				353,361
Rent				99,255
Miscellaneous				363,852
Total general revenues				<u>10,131,070</u>
Change in net assets				2,014,225
Net assets - beginning of year				<u>47,181,833</u>
Net assets - end of year				<u>49,196,058</u>

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
Balance Sheet
Governmental Funds
December 31, 2003

	General Fund	Capital Projects Funds	Other Govern- mental Funds	Total
Assets				
Cash and cash equivalents	\$2,989,122	\$1,137,132	\$1,223,575	\$5,349,829
Investments	3,858,048	3,745,901	2,661,723	10,265,672
Taxes receivable	468,194		2,314,959	2,783,153
Due from other funds			157,622	157,622
Due from other governments	240,286		225,019	465,305
Other receivables	8,355	23,823	10,200	42,378
Total assets	<u>7,564,005</u>	<u>4,906,856</u>	<u>6,593,098</u>	<u>19,063,959</u>
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$93,227	\$79,053	\$97,311	\$269,591
Deferred revenue	490,221		2,427,706	2,917,927
Due other funds	157,622			157,622
Due to other governments	1,076,280			1,076,280
Sales tax escrow	46,516			46,516
Total liabilities	<u>1,863,866</u>	<u>79,053</u>	<u>2,525,017</u>	<u>4,467,936</u>
Fund equity				
Fund balances				
Reserved for Poydras Endowment	114,023			114,023
Reserved for debt service			1,109,342	1,109,342
Unreserved, designated for capital projects		4,827,803		4,827,803
Unreserved, undesignated, reported in:				
General Fund	5,586,116			5,586,116
Special Revenue Funds			2,958,739	2,958,739
Total fund balance	<u>5,700,139</u>	<u>4,827,803</u>	<u>4,068,081</u>	<u>14,596,023</u>
Total liabilities and fund equity	<u>7,564,005</u>	<u>4,906,856</u>	<u>6,593,098</u>	<u>19,063,959</u>

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2003

Fund balances - total governmental funds		\$14,596,023
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds		
Governmental capital assets	49,473,004	
Less accumulated depreciation	<u>(9,096,206)</u>	40,376,798
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(5,515,000)	
Compensated absences payable	(249,909)	
Lease obligations	<u>(11,854)</u>	<u>(5,776,763)</u>
Net assets of governmental activities		<u>49,196,058</u>

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2003

	General Fund	Capital Projects Funds	Other Govern- mental Funds	Total
Revenue				
Taxes	\$4,903,673		\$3,914,177	\$8,817,850
Licenses and permits	496,752			496,752
Intergovernmental	31,580		3,320,803	3,352,383
Intergovernmental - LCDBG Project		\$53,765		53,765
Charges for services	851,832	894,495	25,500	1,771,827
Fines and forfeits			207,195	207,195
Interest	118,449	167,771	67,141	353,361
Rent	99,255			99,255
Miscellaneous	72,960		290,892	363,852
Total revenue	<u>6,574,501</u>	<u>1,116,031</u>	<u>7,825,708</u>	<u>15,516,240</u>
Expenditures				
Current				
General government				
Council	303,006			303,006
Finance and administration	703,717		8,422	712,139
Judicial	422,037		238,810	660,847
Elections	117,240			117,240
Government buildings	612,679			612,679
Planning and zoning	133,945			133,945
Public safety	302,137		3,934,061	4,236,198
Public works	904,559		2,596,242	3,500,801
Parks and recreation	772,025		381,825	1,153,850
Health and welfare	182,556		376,217	558,773
Economic development	53,174			53,174
Urban housing			273,476	273,476
Capital outlay		4,470,229	1,036,023	5,506,252
Debt service			495,753	495,753
Total expenditures	<u>4,507,075</u>	<u>4,470,229</u>	<u>9,340,829</u>	<u>18,318,133</u>
Excess revenue over (under) expenditures				
Other Financing Sources (Uses)				
Operating transfers in	53,675	2,350,404	1,221,281	3,625,360
Operating transfers out	(2,370,492)	(764,852)	(490,016)	(3,625,360)
Bond proceeds		2,100,198		2,100,198
Total other financing sources (uses)	<u>(2,316,817)</u>	<u>3,685,750</u>	<u>731,265</u>	<u>2,100,198</u>
Net change in fund balances	(249,391)	331,552	(783,856)	(701,695)
Fund balance - beginning	<u>5,949,530</u>	<u>4,496,251</u>	<u>4,851,937</u>	<u>15,297,718</u>
Fund balance - ending	<u>5,700,139</u>	<u>4,827,803</u>	<u>4,068,081</u>	<u>14,596,023</u>

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
Year Ended December 31, 2003

Net Changes in fund balances - total governmental funds (\$701,695)

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

Governmental funds report capital outlay as expenditures. However, in
the statement of activities the cost of those assets are allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay	5,506,252	
Depreciation expense	<u>(995,134)</u>	4,511,118

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect of issuance costs, premiums,
discounts, and similar items when debt is first issued, whereas these
amounts are deferred and amortized in the statement of activities.

Bonds issued	(2,100,198)	
Principal payments	<u>305,000</u>	<u>(1,795,198)</u>

Change in net assets of governmental activities 2,014,225

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Bases)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes				
Ad valorem	\$460,000	\$464,307	\$464,307	
Sales and use	3,460,924	3,521,507	3,521,507	
Video poker	690,000	837,154	837,154	
Other	25,000	32,098	32,098	
	<u>4,635,924</u>	<u>4,855,066</u>	<u>4,855,066</u>	
Licenses and permits				
Occupational Licenses	369,458	441,109	441,109	
Motor vehicle	30,000	29,394	29,394	
Building permits	35,000	30,961	30,961	
	<u>434,458</u>	<u>501,464</u>	<u>501,464</u>	
Charges for services				
Garbage collection	720,000	787,409	787,409	
Court costs and other fees	21,825	21,781	21,781	
	<u>741,825</u>	<u>809,190</u>	<u>809,190</u>	
Intergovernmental	35,500	31,580	31,580	
Interest	150,000	124,593	124,593	
Rent	96,391	99,255	99,255	
Miscellaneous	55,500	142,533	142,533	
	<u>6,149,598</u>	<u>6,563,681</u>	<u>6,563,681</u>	
Total revenue				
Expenditures				
General Government				
Legislative	308,200	296,444	296,444	
General Financial Administration				
Salaries and benefits	502,175	494,680	494,680	
Insurance	54,500	38,178	38,178	
Fees, dues and services	151,500	120,414	120,414	
Office supplies and services	60,750	42,205	42,205	
Other	10,800	6,192	6,192	
	<u>779,725</u>	<u>701,669</u>	<u>701,669</u>	

Continued

West Baton Rouge Parish Council
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Bases)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Favorable (Unfavorable)</u>
Expenditures (continued)				
Judicial				
District Court	\$177,425	\$166,397	\$166,397	
District Attorney	33,175	35,852	35,852	
Clerk of Court	17,500	4,887	4,887	
Coroner	150,325	156,628	156,628	
City Court	38,440	47,153	47,153	
	<u>416,865</u>	<u>410,917</u>	<u>410,917</u>	
Elections				
Registrar of Voters	95,960	101,515	101,515	
Elections	37,724	15,725	15,725	
	<u>133,684</u>	<u>117,240</u>	<u>117,240</u>	
Other				
Planning and zoning	179,075	133,945	133,945	
General governmental buildings	613,750	589,027	589,027	
	<u>792,825</u>	<u>722,972</u>	<u>722,972</u>	
Total general government	<u>2,431,299</u>	<u>2,249,242</u>	<u>2,249,242</u>	
Public Safety				
Sheriff	5,750	4,760	4,760	
Civil Defense	107,950	85,728	85,728	
Consulting	265,054	157,624	157,624	
Ambulance service	3,600	3,600	3,600	
Animal impound	57,115	56,708	56,708	
	<u>439,469</u>	<u>308,420</u>	<u>308,420</u>	
Public Works				
Lighting	115,000	111,952	111,952	
Materials		11,423	11,423	
Sanitation	720,000	708,947	708,947	
	<u>835,000</u>	<u>832,322</u>	<u>832,322</u>	

Continued

West Baton Rouge Parish Council
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Bases)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued)				
Parks and recreation	\$728,800	\$777,574	\$777,574	
Health and Welfare	301,900	182,556	182,556	
Economic Development	56,000	53,172	53,172	
Total expenditures	<u>4,792,468</u>	<u>4,403,286</u>	<u>4,403,286</u>	
Excess of revenue over expenditures	<u>1,357,130</u>	<u>2,160,395</u>	<u>2,160,395</u>	
Other Financing Sources (Uses)				
Operating transfers in	45,456	53,675	53,675	
Operating transfers out	<u>(3,281,212)</u>	<u>(2,370,492)</u>	<u>(2,370,492)</u>	
Total other financing sources(uses)	<u>(3,235,756)</u>	<u>(2,316,817)</u>	<u>(2,316,817)</u>	
Net change in fund balances	(1,878,626)	(156,422)	(156,422)	
Fund Balance, beginning	<u>5,260,539</u>	<u>5,260,539</u>	<u>5,260,539</u>	
Fund Balance, ending	<u><u>3,381,913</u></u>	<u><u>5,104,117</u></u>	<u><u>5,104,117</u></u>	

The accompanying notes are an integral part of this statement.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Introduction

The West Baton Rouge Parish Council is the governing authority for West Baton Rouge Parish and is a political subdivision of the State of Louisiana. The Parish Council is governed by nine (9) council members representing the various districts within the parish. The council members serve four-year terms that expire on January 4, 2007.

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

West Baton Rouge Parish covers 215 square miles and has a population of 20,472. The West Baton Rouge Parish Council maintains 135 miles of roads and has 150 employees.

Note 1-Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the West Baton Rouge Parish Council 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
 - A. The ability of the Parish Council to impose its will on that organization and/or
 - B. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Parish Council has determined that the following component units are part of the reporting entity:

West Baton Rouge Parish Library
West Baton Rouge Parish Council on Aging
West Baton Rouge Parish Tourist Commission
West Baton Rouge Parish Waterworks District No. 1
West Baton Rouge Parish Waterworks District No. 2
West Baton Rouge Parish Waterworks District No. 4
West Baton Rouge Parish Public Utilities
West Baton Rouge Parish Museum
West Baton Rouge Parish Tourist Center

All component units have a fiscal year ending December 31, except for the Council on Aging which has a June 30 year end. The criteria used for all component units is that the Parish Council appoints a majority of their board members.

The Parish Council has chosen to issue financial statements of the primary government (Parish Council) only; therefore, none of the previously listed component units are included in the accompanying financial statements. Separately issued component unit financial statements may be obtained by contacting the West Baton Rouge Parish Council office, Port Allen, Louisiana.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Parish Council) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements which are not intended to and do not report on the reporting entity, are intended to reflect only the financial statements of the primary government (Parish Council).

Considered in the determination of component units of the reporting entity were the West Baton Rouge Parish School Board and the various municipalities in the parish. These governmental entities are not component units of the West Baton Rouge Parish Council reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the West Baton Rouge Parish Council.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net assets and the statement of activity to report information on all of the nonfiduciary activities of the primary government. The effects of interfund activity have been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes and all other revenue items are considered to be measurable and available only when cash is received by the government.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

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

The Council reports the following major governmental funds:

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

Capital Projects Fund accounts for most of the capital expenditures.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Parish Council's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports deferred revenue on its balance sheet. Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Deferred revenue also arises when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Other financing sources (uses) include transfers between funds that are not expected to be repaid. These are recorded in the year the cash is transferred or an interfund receivable is recorded.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

D. Budget Policies and Budgetary Accounting

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

1. Prior to November 1, the Parish President submits to the Parish Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted by an ordinance.
4. The Parish President is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Parish Council.
5. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is achieved through general obligation bond indenture provisions.
6. The appropriated budget for the General and Special Revenue Funds is adopted on the cash basis. Budgetary comparisons presented in this report compare the adopted budget with actual data on the budgetary (cash) basis.
7. All budgetary appropriations lapse at the end of each fiscal year.
8. Encumbrances are not recorded by the Parish Council; accordingly, no encumbrances are outstanding.
9. Budgeted amounts shown are as originally adopted or amended by the Parish Council. Each year the budgetary information for comparisons includes the amended budget.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and interest-bearing demand deposits. It is the Parish Council's policy to include as cash equivalents amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Parish Council may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Parish Council may invest in United States bonds, treasury notes, or certificates and mortgage backed securities. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. Capital Assets

Capital assets, which include land and land improvements, buildings, equipment, and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental activities columns in the government-wide financial statements. Capitalization thresholds are defined as capital assets with a cost of \$1,000 or more per unit.

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at completion of construction projects. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

Depreciation on all capital assets, excluding land and improvements, is calculated on the straight-line method over the following estimated useful lives:

<u>Type of Capital Assets</u>	<u>Number of Years</u>
Buildings and building improvements	40
Furniture	5
Machinery and equipment	5-6
Automobiles	5
Infrastructure	40

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

All assets purchased by the primary government are recorded as capital assets and depreciated accordingly. Certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and other assets acquired from subdivision developers, between the years 1980 and 2000, have not been capitalized as of December 31, 2003. GASB 34 allows the Parish Council until fiscal year 2005 to record and depreciate these donated infrastructure assets. The net financial effect of recording these infrastructure assets will be an increase in net capital assets on the government-wide statements.

G. Revenue Susceptible to Accrual

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenue treated as susceptible to accrual are sales taxes, property taxes, gross receipts business taxes, and certain state shared revenue such as tobacco tax, beer tax, and parish transportation funds. Since property tax levied in 2003 is deferred, no allowance for doubtful accounts is recorded. Any adjustments will be made in 2004 when collected.

H. Long-Term Debt

In the government-wide statement of net assets, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts is normally provided by transfers from the General Fund to the Funds.

Sales tax revenue bonds are secured by sales tax revenues. Payment of the debt is provided by sales tax revenue recognized in the appropriate debt service fund.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

I. Reserves and Designations of Fund Equity

Some portions of fund balance are reserved to indicate that a portion of fund equity is legally restricted to a specific future use or is not available for appropriation or expenditure. Other portions of fund balance are designated by the Parish Council for a specific purpose; however, these designations are subject to change.

J. Compensated Absences

Employees earn vacation in varying amounts according to years of service as follows.

<u>Years Service</u>	<u>Vacation</u>
0-4	10 days/year
5-14	15 days/year
15-19	20 days/year
over 20	25 days/year

Employees accrue one working day of sick leave for each month of service. There is no maximum on accumulated sick leave.

Employees may accumulate vacation and sick leave time without limitation, however, only vacation leave is payable upon resignation, discharge, death, retirement, or removal due to reduction in force. Payment for vacation leave is limited to 300 hours under all circumstances. If an employee works to retirement eligibility, the accumulated unused sick leave is combined with vacation leave to apply toward retirement years.

In the government-wide financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded in the governmental fund-type fund financial statements.

K. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and are not eliminated for financial statement purposes. Since all of the funds are governmental activities these balances are eliminated in the government-wide financial statements.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 1-Summary of Significant Accounting Policies (Continued)

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

Note 2-Cash and Cash Equivalents

At December 31, 2003, the Parish Council has cash and cash equivalents (book value) as follows:

Cash on hand	\$1,100
Demand deposits	3,836
Interest-bearing demand deposits	<u>5,344,893</u>
Combined cash and equivalents	<u><u>\$5,349,829</u></u>

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

At December 31, 2003, the Parish Council has \$5,352,997 in deposits (collected bank balances). These deposits are secured from risk by \$7,578,362 of federal deposit insurance and pledged securities held by the custodial bank in the name of the Parish Council (GASB Category I).

Note 3-Investments

At December 31, 2003 the Parish Council holds investments as follows:

	<u>Carrying Amount at Cost</u>	<u>Market Value</u>
Money Market Funds	\$101,842	\$101,842
Mortgage backed securities, with maturities from 19 to 30 years	1,660,108	1,653,652
U.S. Government Agency Notes, with maturities from 5 to 12 years	2,959,000	2,931,547
Louisiana Asset Management Pool (LAMP), 1.4%	<u>5,544,722</u>	<u>5,549,536</u>
	<u><u>10,265,672</u></u>	<u><u>10,236,577</u></u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 3-Investments (Continued)

Investments in money market funds are held in the name of the Parish Council, by Paine Webber, investment broker, and are insured. They are classified as Category 1, in applying credit risk of GASB codification Section I 50. 164.

The investments in mortgage backed securities are held in the name of the Parish Council, by Paine Webber and Morgan Stanley Dean Witter, investment brokers, and are insured and registered (GASB Category 1).

Investments in LAMP, a local government investment pool, are not categorized because they are not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The Parish Council receives monthly distributions in order to maintain the carrying amount and market value at the same level.

Note 4-Property Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years.

The Sheriff of West Baton Rouge Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts. December tax collections remitted to the Parish Council by the Sheriff in January are reported as "Due From Other Governments."

The 2003 property tax calendar was as follows:

Millage rates adopted	August 28, 2003
Board of Review	September 11, 2003
Tax bills mailed	October 15, 2003
Due date and collections	December 31, 2003
Certified delinquent notice	March 15, 2004

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 4-Property Taxes (Continued)

Property taxes are recognized as revenue in the calendar year for which they are budgeted. State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed. Taxes receivable include all property taxes delinquent on January 1, 2004.

The following is a summary of parish-wide authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration</u>
Primary Government, Parish-wide			
General Fund	2.52	2.52	None
Special Revenue Funds			
Health Unit	1.75	1.75	2006
Community Center	3.00	3.00	2010
Juvenile Detention Center	0.51	0.51	2010
Primary Government, District Drainage	7.20	7.20	2005

Note 5-Changes in Fixed Assets

A. A summary of changes in general fixed assets follows:

	<u>Balance January 1, 2003</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance December 31, 2003</u>
Capital assets not being depreciated				
Land	\$1,320,560	\$282,446	_____	\$1,603,006
Capital assets being depreciated				
Buildings	22,587,842	2,054,643	(1,368,493)	23,273,992
Equipment	4,215,167	622,653	(56,038)	4,781,782
Infrastructure		2,806,658	17,007,566	19,814,224
Equipment under capital lease	335,207		(335,207)	
Construction work in progress	121,454	_____	(121,454)	_____
<u>Total capital assets being depreciated</u>	<u>27,259,670</u>	<u>5,483,954</u>	<u>15,126,374</u>	<u>47,869,998</u>
Less accumulated depreciation for				
Buildings	(5,222,737)	(260,757)		(5,483,494)
Equipment	(2,878,335)	(239,022)		(3,117,357)
Infrastructure	_____	(495,355)	_____	(495,355)
<u>Total accumulated depreciation</u>	<u>(8,101,072)</u>	<u>(995,134)</u>	<u>_____</u>	<u>(9,096,206)</u>
Total capital assets being depreciated, net	<u>19,158,598</u>	<u>4,488,820</u>	<u>15,126,374</u>	<u>38,773,792</u>
Total capital assets	<u>20,479,158</u>	<u>4,771,266</u>	<u>15,126,374</u>	<u>40,376,798</u>

Adjustments and deletions includes infrastructure and assets either traded or scraped.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 5-Changes in Fixed Assets (Continued)

B. Depreciation expense was charged to functions of the primary government as follows:

Public Works	\$687,640
General Government	120,647
Public Safety	153,206
Health and Welfare	5,560
Culture and Recreation	<u>28,081</u>
Total depreciation expense-governmental activities	<u>995,134</u>

Note 6-Pension Plan

Plan Description

Substantially all employees of the West Baton Rouge Parish Council are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan 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 employees of the Parish Council are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials 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 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. 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 or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the West Baton Rouge Parish Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 6-Pension Plan (Continued)

Funding Policy (Continued)

fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the West Baton Rouge Parish Council are established and may be amended by state statute. 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. The West Baton Rouge Parish Council's contributions to the System under Plan A for the years ending December 31, 2003, 2002 and 2001, were \$225,872, \$226,208, and \$200,165, respectively, equal to the required contributions for the year.

Note 7-Parish Council Member's Compensation

The Parish Council has elected the monthly payment method of compensation. The monthly compensation is \$963 for the Council President and \$856 for the other council members.

Compensation for the year ended December 31, 2003:

Larry Johnson, Chairperson	\$11,556
Curtis Anderson	10,272
Randal Mouch	10,272
Huey Brown	10,272
Harlan Cashiola	10,272
Dantin LeBlanc	10,272
Jeff Kershaw	10,272
Betty Nelson	10,272
Keith Washington	<u>10,272</u>
	<u>93,732</u>

Note 8-Long-Term Debt

A. Changes in General Long-Term Debt Obligations

	<u>Certificates of Indebtedness</u>	<u>Compensated Absences</u>	<u>Capital Lease</u>	<u>Total</u>
Long-term obligations payable at January 1, 2003	\$3,720,000	\$226,111	\$94,242	\$4,040,353
Additions	2,100,000	107,000		2,207,000
Deductions	<u>(305,000)</u>	<u>(83,202)</u>	<u>(82,388)</u>	<u>(470,590)</u>
Long-term obligations payable at December 31, 2003	<u>5,515,000</u>	<u>249,909</u>	<u>11,854</u>	<u>5,776,763</u>
Due within one year	<u>320,000</u>	<u>80,000</u>	<u>11,854</u>	<u>411,854</u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 8-Long-Term Debt (Continued)

B. Summary of Certificates of Indebtedness

Certificates of Indebtedness at December 31, 2003, are comprised of the following:

<p>\$2,100,000 Road Improvement Revenue Bonds, (Series 2003), due in annual installments of \$170,000 to \$255,000 through May 1, 2013, plus interest at 3.4%. The bonds are secured and payable from excess revenue.</p>	<p>\$2,100,000</p>
<p>\$1,715,000 Public Improvement Sales Tax Refunding Bonds, (Series 2002), due in annual installments of \$105,000 to \$175,000 through November 1, 2014, plus interest at 4.5%. The bonds are secured and payable from a special one-half of one percent sales and use tax.</p>	<p>1,545,000</p>
<p>\$500,000 Certificate of Indebtedness, (Series 1996A), due in annual installments of \$55,000 to \$65,000 through April 1, 2006, plus interest from 4% to 5.125% (average 4.56%). The Certificate is secured and payable from excess revenue</p>	<p>185,000</p>
<p>\$500,000 Certificate of Indebtedness, (Series 1997A), due in annual installments of \$50,000 to \$65,000 through September 1, 2008, plus interest from 4.3% to 8% (average 6.15%). The Certificate is secured and payable from excess revenue.</p>	<p>240,000</p>
<p>\$300,000 Certificate of Indebtedness (Series 2000), due in annual installments of \$25,000 to \$40,000 through November, 2010. Interest is payable semiannually at 5.5%. Certificate is secured and payable from excess revenue.</p>	<p>225,000</p>
<p>\$1,100,000 Tourist Center Bonds (Series 2000), due in annual installments of \$55,000 to \$105,000 through September, 2015. Interest is payable semiannually from 5.0% to 6.1%. The Bonds are secured and payable by funds the Parish receives from the West Baton Rouge Parish Visitor Enterprise Fund held by the Louisiana State Treasurer, and from excess revenue.</p>	<p>950,000</p>
<p>\$300,000 Tourist Center Bonds (Series 2000A), due in annual installments of \$15,000 to \$30,000 through September, 2015. Interest is payable semiannually from 5.25% to 6.1%. The Bonds are secured and payable by funds the Parish receives from the West Baton Rouge Parish Visitor Enterprise Fund held by the Louisiana State Treasurer, and from excess revenue.</p>	<p><u>270,000</u></p>
	<p><u>5,515,000</u></p>

**West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003**

Note 8-Long-Term Debt (Continued)

C. Debt Service Requirements to Maturity

The annual requirements to amortize the Certificates of Indebtedness outstanding at December 31, 2003, are as follows:

<u>Year Ended December 31,</u>	
2004	490,000
2005	515,000
2006	545,000
2007	505,000
2008	465,000
2009 to 2015	<u>2,995,000</u>
Total	<u>5,515,000</u>

The following is a summary of Certificates of Indebtedness principal and interest requirements:

	<u>2004</u>	<u>To Maturity</u>
Principal requirements	\$490,000	\$5,515,000
Interest requirements	<u>251,004</u>	<u>1,450,327</u>
Total requirements	<u>741,004</u>	<u>6,965,327</u>

D. Bonds of Other Governmental Units

Bonds of the West Baton Rouge Parish School Board, West Baton Rouge Parish Library, West Baton Rouge Parish Tourist Commission, West Baton Rouge Parish Council on Aging, West Baton Rouge Parish Public Utility, and West Baton Rouge Parish Water Works Districts Number 1, 2 and 4, Town of Brusly, Town of Addis, City of Port Allen and Atchafalaya Levee Districts, are obligations of other governmental units located within the limits of the Parish of West Baton Rouge. These bonds are not included in this statement because they are not obligations of this primary government.

E. Port Authority Bonds

West Baton Rouge and other surrounding parishes are situated within the limits of the Greater Baton Rouge Port Commission. Outstanding obligations of the port are secured by a pledge of the full faith and credit of West Baton Rouge and other parishes in the district. However, the Supreme Court of the State of Louisiana has held that the pledge of the full faith and credit of the State comes before the pledges of the credit of the various parishes. Therefore, West Baton Rouge Parish does not have any potential liability with respect to the bonds of the port.

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 8-Long-Term Debt (Continued)

F. Industrial Development Revenue Bonds

The Parish and Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenue of the projects. The bonds are not a charge upon other income of the Parish or District nor are they a charge against the credit or taxing power of the District, or the Parish of West Baton Rouge.

Note 9-Receivables and Payables

Interfund receivables and payables at year end, as shown in the governmental statements, are as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund		\$157,622
Special Revenue Funds		
Correctional Facility	<u>\$157,622</u>	<u> </u>
	<u>157,622</u>	<u>157,622</u>

Due from other governments consists of amounts due from the State of Louisiana, and local parish agencies for routine funds due the West Baton Rouge Parish Council primary government.

Due to other governments consist of routine sales tax collections due the West Baton Rouge Parish School Board and other local government agencies.

Note 10-Interfund Transfers

Operating Transfers by fund are as follows:

	<u>In</u>	<u>Out</u>
General Fund	<u>\$53,675</u>	<u>\$2,370,492</u>
Special Revenue Funds		
Correctional Facility	148,192	178,329
Parish Roads	825,000	
Criminal Court		53,675
Federal grants	<u>5,782</u>	
	<u>978,974</u>	<u>232,004</u>
(Continued)	1,032,649	2,602,496

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 10-Interfund Transfers (Continued)

	In	Out
(Continued)	<u>\$1,032,649</u>	<u>\$2,602,496</u>
Debt Service Funds		
2002 Sales Tax Refunding Bonds	178,329	148,192
2000 Tourist Center Bonds		109,820
1997 Roads/Courthouse Bonds	<u>63,978</u>	
	<u>242,307</u>	<u>258,012</u>
Capital Project Funds		
Parish Road Trust	235,000	
Tourist Center Building	109,820	
Video Poker Capital Improvement Reserve Trust	627,866	764,852
Special Recreation Projects	115,273	
Land and Building Acquisition	<u>1,262,445</u>	
	<u>2,350,404</u>	<u>764,852</u>
	<u>3,625,360</u>	<u>3,625,360</u>

Note 11-Contingent Liabilities

The Parish Council is a defendant in several pending lawsuits. The government's policy is to pay judgements against the Parish Council on a current basis from available financial resources.

Note 12-Budgetary - GAAP Reporting Reconciliation

The accompanying schedule presents comparisons of the legally adopted budgets (as described in Note 1) with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, reconciliations of differences in the excess of revenue and other sources of financial resources over expenditures and other uses of financial resources for the current year are presented as follows:

	<u>General</u> <u>Funds</u>	<u>Special</u> <u>Revenue Funds</u>
Net change in fund balance (Budgetary Basis).	(\$156,422)	(\$632,323)
Adjustments - to adjust for accruals	<u>(92,969)</u>	<u>(151,533)</u>
Net change in fund balance (GAAP basis).	<u>(249,391)</u>	<u>(783,856)</u>

West Baton Rouge Parish Council
Notes to Financial Statements
December 31, 2003

Note 13-Deferred Revenue

Deferred revenue consists of property tax received, which will not be recognized as revenue until 2004, and deferred grant revenue recorded in the Federal Grant Special Revenue Fund as follows:

Deferred property tax revenue	\$2,914,089
Deferred grant revenue	<u>3,838</u>
	<u>2,917,927</u>

Note 14-Post Retirement Benefits

During 2003, the Parish Council provided life and health insurance benefits to 20 qualifying retired employees at a cost of \$140,548. All retired employees receiving full retirement benefits qualify. The Parish Council adopted a resolution on April 8, 1993 approving surviving spouses coverage under the plan. These benefits are financed and recorded on a "pay as you go" basis.

Note 15-Lease Commitments

The Parish Council entered into a capital lease agreement in 2002 to acquire and use certain machinery. The original lease term is 24 months. The implicit interest rate for this lease is 4.5%. The lease payments are expected to remain the same throughout the term of the lease. The title to the equipment will transfer to the Parish Council at the end of the lease.

The minimum lease payments are as follows:

2004	\$12,067
Amounts representing interest	<u>(213)</u>
Net present value of minimum lease payments	<u>11,854</u>

**West Baton Rouge Parish Council
Special Revenue Funds
December 31, 2003**

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Correctional Facility

To account for operations of the parish correctional facility.

Parish Roads

To account for the construction of new roads and bridges and the maintenance of existing roads and roadside areas. Financing is provided by the State of Louisiana Parish Transportation Fund, the Parish Royalty Fund, and amounts transferred from the general fund.

Drainage Maintenance

To account for the operation and maintenance of all off-road drainage projects. Financing is provided by ad valorem taxes, severance taxes and state revenue sharing funds.

Health Unit

To account for the operation of the Parish Health Unit. Financing is provided by ad valorem taxes.

Community Centers

To account for property taxes used to fund operations for the Community Centers.

Community Alert Network

To account for a program which alerts the community in case of an emergency.

911

To provide the citizens of West Baton Rouge with a one number service for all emergencies. Funds are provided by a monthly charge of \$1.70 per month for residents and \$2.60 per month for businesses on all telephone bills.

Criminal Court

This fund was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorneys' conviction fees, in criminal cases, be transferred to the parish treasurer and deposited into a special "Criminal Court Fund" account, to be used for expenses of the Criminal Court of the Parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

The statutes also require that one-half of the fund balance remaining in the Criminal Court Fund at December 31 of each year be transferred to the Parish's General Fund.

**West Baton Rouge Parish Council
Special Revenue Funds
December 31, 2003**

(Continued)

Juvenile Detention

To account for the receipts and subsequent expenditure of funds received from the oil field settlement of Port Hudson field for special projects. Funds are currently dedicated for the cost of juvenile detention in the parish.

Federal Grants

To account for the receipt and subsequent expenditure of funds received from the Department of Housing and Urban Development to aid low income families in obtaining decent, safe and sanitary housing and also, from the Department of Social Services for low income energy assistance.

Miscellaneous

To account for miscellaneous funds which are in the process of being dissolved because their purpose is no longer necessary.

**West Baton Rouge Parish Council
Debt Service Funds
December 31, 2003**

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

2002 Sales Tax Refunding Bonds

To record monies for payments of the 2002, \$1,715,000 Sales Tax Refunding Bonds which refunded the 1994 Correctional Facilities Bonds. Financing is to be provided by sales and use tax.

2000 Museum Bonds

To record monies for payment of the 2000, \$300,000 West Baton Rouge Museum Bonds. Financing is to be provided by excess revenues.

2000 Tourist Center Bonds

To record monies for payment of the 2000, \$1,100,000 Tourist Center Bonds. Financing is from the State Treasurer and increased sales and other tax revenues to the Parish from economic development services and facilities provided by the West Baton Rouge Parish Tourist Commission.

1997 Roads/Courthouse Renovations Bonds

To account for transfers from the general fund for the debt service of the 1997, \$500,000 Roads/Courthouse Renovations Certificate of Indebtedness

1996 Council on Aging Bonds

To account for intergovernmental revenue from the Council on Aging component unit for the debt service of the 1996, \$500,000 Council on Aging Certificate of Indebtedness.

**Combining and Individual
Fund Statements and Schedules**

**West Baton Rouge Parish Council
Non Major Governmental Funds
Combining Balance Sheet
December 31, 2003**

	<u>Special Revenue</u>			
	<u>Correctional Facility</u>	<u>Parish Roads</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Assets				
Cash and cash equivalents	\$38,806	\$2,626	\$73,396	\$104,387
Investments			600,000	500,000
Taxes receivable			1,337,697	325,135
Due from other funds	157,622			
Due from other governments	112,846	53,912		
Other receivables	10,200			
Total assets	<u>319,474</u>	<u>56,538</u>	<u>2,011,093</u>	<u>929,522</u>
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$46,025	\$3,024		\$3,679
Deferred revenue			\$1,400,630	340,431
	<u>46,025</u>	<u>3,024</u>	<u>1,400,630</u>	<u>344,110</u>
Fund Equity				
Fund Balances				
Reserved for debt service				
Unreserved	273,449	53,514	610,463	585,412
	<u>273,449</u>	<u>53,514</u>	<u>610,463</u>	<u>585,412</u>
Total liabilities and fund equity	<u>319,474</u>	<u>56,538</u>	<u>2,011,093</u>	<u>929,522</u>

Special Revenue

Community Centers	Community Alert Network	911	Criminal Court	Juvenile Detention	Federal Grants	Miscellaneous	Total
\$255,245	\$6,917	\$97,312	\$53,728	\$91,886	\$69,319	\$7,334	\$800,956
300,000	60,000	65,000		450,000			1,975,000
557,374				94,753			2,314,959
							157,622
		31,648	2,953		23,660		225,019
							10,200
<u>1,112,619</u>	<u>66,917</u>	<u>193,960</u>	<u>56,681</u>	<u>636,639</u>	<u>92,979</u>	<u>7,334</u>	<u>5,483,756</u>
\$36,953			\$3,430		\$4,200		\$97,311
583,596				\$99,211	3,838		2,427,706
620,549			3,430	99,211	8,038		2,525,017
492,070	66,917	193,960	53,251	537,428	84,941	7,334	2,958,739
492,070	66,917	193,960	53,251	537,428	84,941	7,334	2,958,739
<u>1,112,619</u>	<u>66,917</u>	<u>193,960</u>	<u>56,681</u>	<u>636,639</u>	<u>92,979</u>	<u>7,334</u>	<u>5,483,756</u>

Continued

West Baton Rouge Parish Council
Non Major Governmental Funds
Combining Balance Sheet
December 31, 2003

	<u>Debt Service</u>			
	<u>2002</u>		<u>2000</u>	<u>1997</u>
	<u>Sales Tax</u>	<u>2000</u>	<u>Tourist</u>	<u>Roads and</u>
	<u>Refunding</u>	<u>Museum</u>	<u>Center</u>	<u>Courthouse</u>
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>
Assets				
Cash and cash equivalents	\$56,524	\$41,220	\$288,282	\$1
Investments	452,723		150,000	
Taxes receivable				
Due from other funds				
Due from other governments				
Other receivables				
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>509,247</u>	<u>41,220</u>	<u>438,282</u>	<u>1</u>
 Liabilities and Fund Equity				
Liabilities				
Accounts payable				
Deferred revenue				
	<hr/>	<hr/>	<hr/>	<hr/>
 Fund Equity				
Fund Balances				
Reserved for debt service	\$509,247	\$41,220	\$438,282	\$1
Unreserved				
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>509,247</u>	<u>41,220</u>	<u>438,282</u>	<u>1</u>
Total liabilities and fund equity	<u>509,247</u>	<u>41,220</u>	<u>438,282</u>	<u>1</u>

Debt Service

<u>1996 Council on Aging Bonds</u>	<u>1992 Road Bond</u>	<u>Total</u>	<u>Total Non Major Governmental Funds</u>
\$36,592		\$422,619	\$1,223,575
84,000		686,723	2,661,723
			2,314,959
			157,622
			225,019
			10,200
<u>120,592</u>	<u>--</u>	<u>1,109,342</u>	<u>6,593,098</u>
			\$97,311
			2,427,706
			2,525,017
\$120,592		\$1,109,342	1,109,342
			2,958,739
<u>120,592</u>		<u>1,109,342</u>	<u>4,068,081</u>
<u>120,592</u>	<u>--</u>	<u>1,109,342</u>	<u>6,593,098</u>

West Baton Rouge Parish Council
Non Major Governmental Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Year Ended December 31, 2003

	<u>Special Revenue</u>			
	<u>Correctional Facility</u>	<u>Parish Roads</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Revenue				
Taxes	\$1,610,039		\$1,331,443	\$323,615
Intergovernmental Charges for services	1,780,804	\$444,774	26,332	18,071
Fines and forfeits				
Interest	455	1,005	18,282	8,715
Miscellaneous	199,963	28,269	40,548	
Total revenue	<u>3,591,261</u>	<u>474,048</u>	<u>1,416,605</u>	<u>350,401</u>
Expenditures				
Current				
General government				
Finance and administration				
Judicial				
Public safety	3,683,951			
Public works		1,184,745	1,411,497	
Health and welfare				259,873
Culture and recreation				
Urban housing				
Economic development				
Capital outlay	3,494	198,870	280,371	
Debt service				
Bond principal				
Interest				
Fees and refunding cost				
Total expenditures	<u>3,687,445</u>	<u>1,383,615</u>	<u>1,691,868</u>	<u>259,873</u>
Excess Revenue Over (Under) Expenditures	<u>(96,184)</u>	<u>(909,567)</u>	<u>(275,263)</u>	<u>90,528</u>
Other Financing Sources (Uses)				
Operating transfers in	148,192	825,000		
Operating transfers out	<u>(178,329)</u>			
Total other financing sources (uses)	<u>(30,137)</u>	<u>825,000</u>		
Net change in fund balances	(126,321)	(84,567)	(275,263)	90,528
Fund balance - beginning	<u>399,770</u>	<u>138,081</u>	<u>885,726</u>	<u>494,884</u>
Fund balance - ending	<u>273,449</u>	<u>53,514</u>	<u>610,463</u>	<u>585,412</u>

Special Revenue

Community Centers	Community Alert Network	911	Criminal Court	Juvenile Detention	Federal Grants	Miscellaneous	Total
\$554,769				\$94,311			\$3,914,177
23,337	\$14,175	\$192,995			\$543,437		3,043,925
25,500							25,500
			\$207,195				207,195
12,250	896	1,994	1,510	6,983		\$105	52,195
					2,112	20,000	290,892
<u>615,856</u>	<u>15,071</u>	<u>194,989</u>	<u>208,705</u>	<u>101,294</u>	<u>545,549</u>	<u>20,105</u>	<u>7,533,884</u>
					8,401	21	8,422
			238,810				238,810
	11,900	164,394		34,184	22,615	17,017	3,934,061
							2,596,242
					116,344		376,217
381,825							381,825
					273,476		273,476
441,769					111,519		1,036,023
<u>823,594</u>	<u>11,900</u>	<u>164,394</u>	<u>238,810</u>	<u>34,184</u>	<u>532,355</u>	<u>17,038</u>	<u>8,845,076</u>
<u>(207,738)</u>	<u>3,171</u>	<u>30,595</u>	<u>(30,105)</u>	<u>67,110</u>	<u>13,194</u>	<u>3,067</u>	<u>(1,311,192)</u>
					5,782		978,974
			(53,675)				(232,004)
			(53,675)		5,782		746,970
(207,738)	3,171	30,595	(83,780)	67,110	18,976	3,067	(564,222)
699,808	63,746	163,365	137,031	470,318	65,965	4,267	3,522,961
<u>492,070</u>	<u>66,917</u>	<u>193,960</u>	<u>53,251</u>	<u>537,428</u>	<u>84,941</u>	<u>7,334</u>	<u>2,958,739</u>

Continued

West Baton Rouge Parish Council
Non Major Governmental Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Year Ended December 31, 2003

	<u>Debt Service</u>			
	2002 Sales Tax Refunding Bonds	2000 Museum Bonds	2000 Tourist Center Bonds	1997 Roads and Courthouse Bonds
Revenue				
Taxes				
Intergovernmental		\$39,128	\$170,026	
Charges for services				
Fines and forfeits				
Interest	\$7,360	569	5,759	\$1
Miscellaneous				
Total revenue	7,360	39,697	175,785	1
Expenditures				
Current				
General government				
Finance and administration				
Judicial				
Public safety				
Public works				
Health and welfare				
Culture and recreation				
Urban housing				
Capital outlay				
Debt service				
Bond principal	105,000	25,000	70,000	50,000
Interest	73,425	13,750	74,190	13,478
Fees and refunding cost	1,300	378	1,500	500
Total expenditures	179,725	39,128	145,690	63,978
Excess Revenue Over (Under) Expenditures	(172,365)	569	30,095	(63,977)
Other Financing Sources (Uses)				
Operating transfers in	178,329			63,978
Operating transfers out	(148,192)		(109,820)	
Total other financing sources (uses)	30,137		(109,820)	63,978
Net change in fund balances	(142,228)	569	(79,725)	1
Fund balance - beginning	651,475	40,651	518,007	
Fund balance - ending	509,247	41,220	438,282	1

Debt Service

1996 Council on Aging Bonds	1992 Road Bond	Total	Total Non Major Governmental Funds
			\$3,914,177
\$67,724		\$276,878	3,320,803
			25,500
			207,195
1,237	\$20	14,946	67,141
			290,892
68,961	20	291,824	7,825,708
			8,422
			238,810
			3,934,061
			2,596,242
			376,217
			381,825
			273,476
			1,036,023
55,000		305,000	305,000
10,562		185,405	185,405
	1,670	5,348	5,348
65,562	1,670	495,753	9,340,829
3,399	(1,650)	(203,929)	(1,515,121)
		242,307	1,221,281
		(258,012)	(490,016)
		(15,705)	731,265
3,399	(1,650)	(219,634)	(783,856)
117,193	1,650	1,328,976	4,851,937
120,592		1,109,342	4,068,081

West Baton Rouge Parish Council
Special Revenue Fund - Correctional Facility
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Sales tax	\$1,551,032	\$1,591,490	\$1,591,490	
Intergovernmental	1,852,500	1,855,468	1,855,468	
Interest	500	455	455	
Miscellaneous	127,750	207,067	207,067	
Total revenue	<u>3,531,782</u>	<u>3,654,480</u>	<u>3,654,480</u>	
Expenditures				
Current:				
Public safety:				
Operations	3,450,425	3,635,348	3,635,348	
Capital outlay		3,494	3,494	
Total expenditures	<u>3,450,425</u>	<u>3,638,842</u>	<u>3,638,842</u>	
Excess of revenue over (under) expenditures	<u>81,357</u>	<u>15,638</u>	<u>15,638</u>	
Other Financing Sources (Uses)				
Operating transfers in	40,000	148,192	148,192	
Operating transfers out	(178,425)	(178,329)	(178,329)	
Total other financing sources (uses)	<u>(138,425)</u>	<u>(30,137)</u>	<u>(30,137)</u>	
Net change in fund balance	(57,068)	(14,499)	(14,499)	
Fund balance - beginning	<u>53,304</u>	<u>53,304</u>	<u>53,304</u>	
Fund balance - ending	<u>(3,764)</u>	<u>38,805</u>	<u>38,805</u>	

West Baton Rouge Parish Council
Special Revenue Fund - Parish Roads
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Intergovernmental	\$450,000	\$464,555	\$464,555	
Interest		1,005	1,005	
Miscellaneous		28,269	28,269	
Total revenue	<u>450,000</u>	<u>493,829</u>	<u>493,829</u>	
Expenditures				
Current:				
Public works:				
Operations	1,300,297	1,173,507	1,173,507	
Capital outlay	<u>170,000</u>	<u>198,870</u>	<u>198,870</u>	
Total expenditures	<u>1,470,297</u>	<u>1,372,377</u>	<u>1,372,377</u>	
Excess of revenue over (under)expenditures	(1,020,297)	(878,548)	(878,548)	
Other Financing Sources				
Operating transfers in	<u>1,020,297</u>	<u>825,000</u>	<u>825,000</u>	
Net change in fund balance		(53,548)	(53,548)	
Fund balance - beginning	<u>56,174</u>	<u>56,174</u>	<u>56,174</u>	
Fund balance - ending	<u><u>56,174</u></u>	<u><u>2,626</u></u>	<u><u>2,626</u></u>	<u><u>--</u></u>

West Baton Rouge Parish Council
Special Revenue Fund - Drainage Maintenance
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Property tax	\$1,318,000	\$1,318,000	\$1,326,589	\$8,589
Intergovernmental	24,000	24,000	26,332	2,332
Interest	30,000	30,000	18,282	(11,718)
Miscellaneous			40,548	40,548
Total revenue	<u>1,372,000</u>	<u>1,372,000</u>	<u>1,411,751</u>	<u>39,751</u>
Expenditures				
Current:				
Public works:				
Operations	1,485,613	1,485,613	1,408,345	77,268
Capital outlay	303,000	303,000	280,371	22,629
Total expenditures	<u>1,788,613</u>	<u>1,788,613</u>	<u>1,688,716</u>	<u>99,897</u>
Excess of revenue over (under)expenditures	(416,613)	(416,613)	(276,965)	139,648
Other Financing Sources				
Operating transfers in				
Net change in fund balance	(416,613)	(416,613)	(276,965)	139,648
Fund balance - beginning	950,361	950,361	950,361	
Fund balance - ending	<u>533,748</u>	<u>533,748</u>	<u>673,396</u>	<u>139,648</u>

West Baton Rouge Parish Council
Special Revenue Fund - Health Unit
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Property tax	\$330,000	\$330,000	\$322,435	(\$7,565)
Intergovernmental	17,000	17,000	18,071	1,071
Interest	10,500	10,500	8,714	(1,786)
Total revenue	<u>357,500</u>	<u>357,500</u>	<u>349,220</u>	<u>(8,280)</u>
Expenditures				
Current:				
Health and welfare:				
Operations	274,500	274,500	258,257	16,243
Capital outlay				
Total expenditures	<u>274,500</u>	<u>274,500</u>	<u>258,257</u>	<u>16,243</u>
Excess of revenue over (under) expenditures	83,000	83,000	90,963	7,963
Fund balance - beginning	<u>513,424</u>	<u>513,424</u>	<u>513,424</u>	
Fund balance - ending	<u><u>596,424</u></u>	<u><u>596,424</u></u>	<u><u>604,387</u></u>	<u><u>7,963</u></u>

West Baton Rouge Parish Council
Special Revenue Fund - Community Centers
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Property tax	\$550,000	\$552,746	\$552,746	
Intergovernmental	20,000	23,337	23,337	
Charges for services	14,900	25,500	25,500	
Interest	12,500	12,250	12,250	
Total revenue	<u>597,400</u>	<u>613,833</u>	<u>613,833</u>	
Expenditures				
Current:				
Culture and recreation:				
Operations	538,958	382,889	382,889	
Capital outlay	<u>284,000</u>	<u>404,816</u>	<u>404,816</u>	
Total expenditures	<u>822,958</u>	<u>787,705</u>	<u>787,705</u>	
Excess of revenue over (under) expenditures	(225,558)	(173,872)	(173,872)	
Fund balance - beginning	<u>729,117</u>	<u>729,117</u>	<u>729,117</u>	
Fund balance - ending	<u>503,559</u>	<u>555,245</u>	<u>555,245</u>	

West Baton Rouge Parish Council
Special Revenue Fund - Community Alert Network
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Intergovernmental	\$11,500	\$14,175	\$14,175	
Interest	750	896	896	
Total revenue	<u>12,250</u>	<u>15,071</u>	<u>15,071</u>	
Expenditures				
Current:				
Public safety:				
Operations	<u>5,000</u>	<u>18,650</u>	<u>18,650</u>	
Total expenditures	<u>5,000</u>	<u>18,650</u>	<u>18,650</u>	
Excess of revenue over expenditures	7,250	(3,579)	(3,579)	
Fund balance - beginning	<u>70,496</u>	<u>70,496</u>	<u>70,496</u>	
Fund balance - ending	<u><u>77,746</u></u>	<u><u>66,917</u></u>	<u><u>66,917</u></u>	

West Baton Rouge Parish Council
Special Revenue Fund - 911
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Taxes - 911 charge	\$132,000	\$175,584	\$175,584	
Interest	2,000	1,994	1,994	
Total revenue	<u>134,000</u>	<u>177,578</u>	<u>177,578</u>	
Expenditures				
Current:				
Public safety:				
Operations	<u>161,625</u>	<u>164,394</u>	<u>164,394</u>	
Total expenditures	<u>161,625</u>	<u>164,394</u>	<u>164,394</u>	
Excess of revenue over (under) expenditures	(27,625)	13,184	13,184	
Fund balance - beginning	<u>149,128</u>	<u>149,128</u>	<u>149,128</u>	
Fund balance - ending	<u><u>121,503</u></u>	<u><u>162,312</u></u>	<u><u>162,312</u></u>	

West Baton Rouge Parish Council
Special Revenue Fund - Criminal Court
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Fines and forfeits	\$200,000	\$200,000	\$213,909	\$13,909
Interest	3,500	3,500	1,510	(1,990)
Total revenue	<u>203,500</u>	<u>203,500</u>	<u>215,419</u>	<u>11,919</u>
Expenditures				
Current:				
Judicial:				
Operations	<u>222,650</u>	<u>222,650</u>	<u>225,468</u>	<u>(2,818)</u>
Total expenditures	<u>222,650</u>	<u>222,650</u>	<u>225,468</u>	<u>(2,818)</u>
Excess of revenue over (under)expenditures	(19,150)	(19,150)	(10,049)	9,101
Other Financing Sources				
Operating transfers out			(53,675)	(53,675)
Net change in fund balance	(19,150)	(19,150)	(63,724)	(44,574)
Fund balance - beginning	<u>117,453</u>	<u>117,453</u>	<u>117,453</u>	
Fund balance - ending	<u>98,303</u>	<u>98,303</u>	<u>53,729</u>	<u>(44,574)</u>

West Baton Rouge Parish Council
Special Revenue Fund - Juvenile Dentention
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Property tax	\$95,000	\$95,000	\$93,967	(\$1,033)
Interest	8,000	8,000	6,983	(1,017)
Total revenue	<u>103,000</u>	<u>103,000</u>	<u>100,950</u>	<u>(2,050)</u>
Expenditures				
Current:				
Public safety:				
Operations	135,000	135,000	34,184	100,816
Total expenditures	<u>135,000</u>	<u>135,000</u>	<u>34,184</u>	<u>100,816</u>
Excess of revenue over (under) expenditures	(32,000)	(32,000)	66,766	98,766
Fund balance - beginning	<u>475,121</u>	<u>475,121</u>	<u>475,121</u>	
Fund balance - ending	<u><u>443,121</u></u>	<u><u>443,121</u></u>	<u><u>541,887</u></u>	<u><u>98,766</u></u>

West Baton Rouge Parish Council
Special Revenue Fund - Federal Grants
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Intergovernmental	\$432,785	\$554,498	\$519,777	(\$34,721)
Miscellaneous	100	100	2,112	2,012
Total revenue	<u>432,885</u>	<u>554,598</u>	<u>521,889</u>	<u>(32,709)</u>
Expenditures				
Current:				
General government:				
Operations	10,874	10,874	8,401	2,473
Public safety:				
Operations	15,000	119,933	18,414	101,519
Health and welfare:				
Operations	144,697	144,697	116,343	28,354
Urban housing:				
Operations	288,088	288,088	273,476	14,612
Capital outlay:				
Operations	10,000	10,000	111,519	(101,519)
Total expenditures	<u>468,659</u>	<u>573,592</u>	<u>528,153</u>	<u>45,439</u>
Excess of revenue over (under)expenditures	(35,774)	(18,994)	(6,264)	12,730
Other Financing Sources (Uses)				
Operating transfers in	10,874	10,874	5,782	(5,092)
Net change in fund balance	(24,900)	(8,120)	(482)	7,638
Fund balance - beginning	<u>65,965</u>	<u>65,965</u>	<u>65,966</u>	
Fund balance - ending	<u><u>41,065</u></u>	<u><u>57,845</u></u>	<u><u>65,484</u></u>	<u><u>7,638</u></u>

West Baton Rouge Parish Council
Special Revenue Fund - Miscellaneous
Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenue				
Miscellaneous			\$20,000	\$20,000
Interest			105	105
Total revenue	--	--	20,105	20,105
Expenditures				
Current:				
General government:				
Finance and administration			21	(21)
Public safety:				
Operations			17,017	(17,017)
Capital outlay				
Total expenditures	--	--	17,038	(17,038)
Excess of revenue over (under)expenditures			3,067	3,067
Fund balance - beginning	4,267	4,267	4,267	
Fund balance - ending	<u>4,267</u>	<u>4,267</u>	<u>7,334</u>	<u>3,067</u>

**Fixed Assets used in the Operation
of Governmental Funds**

**West Baton Rouge Parish Council
Statement of General Fixed Assets
December 31, 2003**

General Fixed Assets

Land	\$1,603,006
Buildings	23,273,992
Equipment	4,781,782
Infrastructure	<u>19,814,224</u>

Total general fixed assets 49,473,004

Investment in General Fixed Assets

General fund revenue	13,940,567
Donation of land	234,400
Capital Project Funds	
Community Center	1,240,949
Special Revenue funds	
Drainage	2,087,701
Roads	21,280,138
Health Unit	73,367
Correctional facility	<u>10,615,882</u>

Total invested in general fixed assets 49,473,004

**West Baton Rouge Parish Council
Schedule of General Fixed Assets
By Function and Activity
December 31, 2003**

	<u>Infrastructure</u>	<u>Equipment</u>	<u>Buildings</u>	<u>Land</u>	<u>Totals</u>
Culture and recreation		\$321,381	\$7,073,073	\$573,073	\$7,967,527
Economic development		5,425	17,113		22,538
General government					
Administrative		19,663	1,742,624	73,250	1,835,537
Elections		6,910	10,140	7,200	24,250
Judicial		69,388	2,809,366	210,630	3,089,384
Legislative		78,795			78,795
Other		36,042	190,129	11,601	237,772
Health and welfare		73,367	435,464		508,831
Public safety					
Fire		4,180	106,950	224,900	336,030
Correctional facility		206,763	10,409,685	146,156	10,762,604
Sheriff		50,967			50,967
911 Service		273,735		282,446	556,181
Other		77,801	381,383	26,000	485,184
Public works	<u>\$19,814,224</u>	<u>3,557,365</u>	<u>98,065</u>	<u>47,750</u>	<u>23,517,404</u>
	<u>19,814,224</u>	<u>4,781,782</u>	<u>23,273,992</u>	<u>1,603,006</u>	<u>49,473,004</u>

West Baton Rouge Parish Council
Schedule of Changes in General Fixed Assets
By Function and Activity
Year Ended December 31, 2003

	General Fixed Assets <u>January 1, 2003</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	General Fixed Assets <u>December 31, 2003</u>
Culture and recreation	\$8,052,972	\$1,336,813	(\$1,422,258)	\$7,967,527
Economic development	22,538			22,538
General government				
Administrative	1,670,929	164,608		1,835,537
Elections	24,250			24,250
Judicial	2,773,890	315,494		3,089,384
Legislative	72,858	8,210	(2,273)	78,795
Other	236,179	1,593		237,772
Health and welfare	453,792	55,039		508,831
Public safety				
Fire	336,030			336,030
Corrections facility	10,762,604			10,762,604
Sheriff	50,967			50,967
911 Service	244,269	311,912		556,181
Other	230,928	254,256		485,184
Public works	3,191,364	3,318,474	17,007,566	23,517,404
Equipment under capital lease	335,207		(335,207)	
Construction work in progress	<u>121,454</u>	<u> </u>	<u>(121,454)</u>	<u> </u>
	<u>28,580,231</u>	<u>5,766,399</u>	<u>15,126,374</u>	<u>49,473,004</u>

**West Baton Rouge Parish Council
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2003**

<u>Federal Grantor/Pass - Through Grantor/ Through Grantor/Program Title or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Federal Expenditures</u>
U.S. Federal Emergency Management Agency			
Emergency Food and Shelter	83.523		<u>\$10,884</u>
<u>Subtotal for direct programs</u>			<u>10,884</u>
Pass-through Program of the Louisiana Military Department (Office of Emergency preparedness):			
Hazardous Materials and Emergency Planning Grant	83.012		5,071
EMPG Enhanced Hazmat Grant	83.562		<u>3,250</u>
<u>Total U.S. Federal Emergency Management Agency</u>			<u>19,205</u>
U.S. Department of Health and Human Services			
Pass-through Program of the Louisiana Department of Labor:			
Community Services Block Grant	93.569		66,820
Pass-through Program of the Louisiana Housing Finance Agency:			
Low Income Home Energy Assistance	93.568	416	47,041
Temporary Assistance For Needy Families	93.558		<u>5,274</u>
<u>Total U.S. Department of Health and Human Services</u>			<u>119,135</u>
U.S. Department of Housing and Urban Development			
Section 8 Housing Choice Vouchers	14.871	LA204VO	<u>279,986</u>
Pass-through program of the Louisiana Office of Community Development:			
LCDBG - Sewer Project	14.219	107900384	<u>64,835</u>
<u>Total U.S. Department of Housing and Urban Development</u>			<u>344,821</u>
Federal Highway Administration Department of Transportation			
Passthrough Program of the Louisiana Department of Transportation			
South Westport Drive Rehabilitation	20.205		<u>955,678</u>
<u>Total Federal Highway Administration Department of Transportation</u>			
<u>Total expenditures of federal awards</u>			<u>1,438,839</u>

See accompanying notes to schedule of federal awards.

West Baton Rouge Parish Council
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2002

Note 1-Basis of Presentation

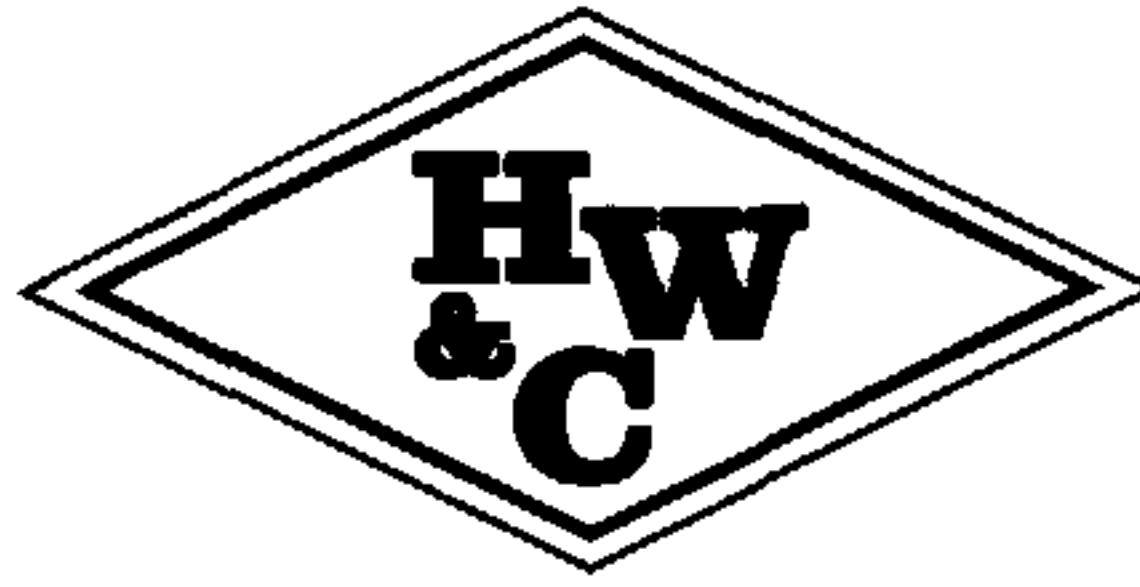
The accompanying schedule of expenditures of federal awards includes the federal grant activity of the West Baton Rouge Parish Council and is presented on the budgetary basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

**West Baton Rouge Parish Council
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2003**

Section II - Financial Statement Findings

None.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
ANTHONY J. CRISTINA, III, C.P.A.
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CERTIFIED PUBLIC ACCOUNTANTS

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June 30, 2004

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

West Baton Rouge Parish Council
Port Allen, Louisiana

Board Members:

We have audited the financial statements of the

**West Baton Rouge Parish Council
Port Allen, Louisiana**

as of and for the year ended December 31, 2003, and have issued our report thereon dated June 30, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the West Baton Rouge Parish Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and is described in the accompanying schedule of findings and questioned cost as item 2003-1.

Internal Control Over Financial Reporting

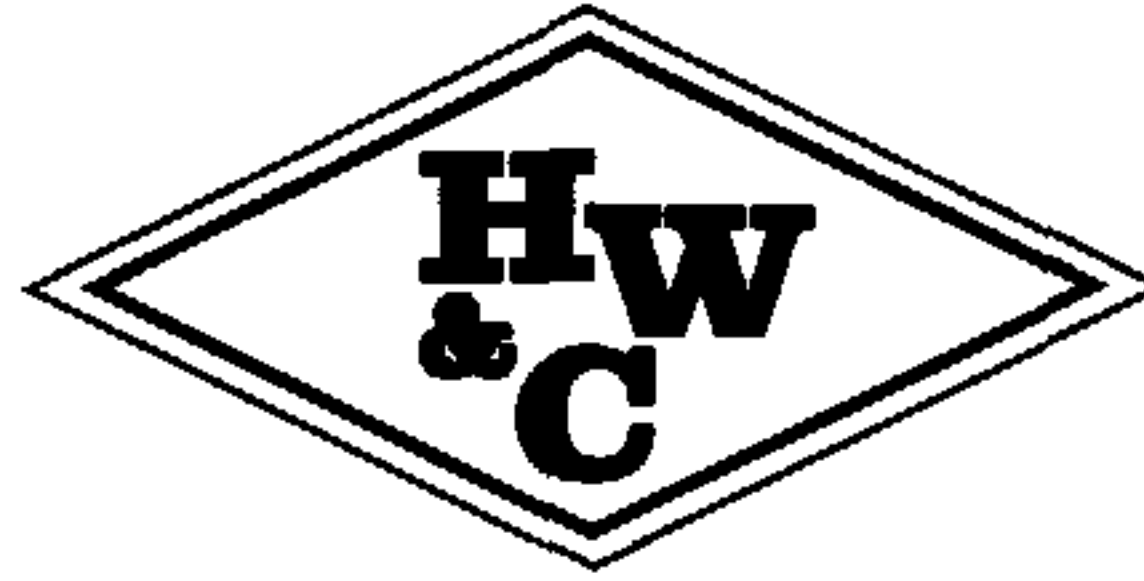
In planning and performing our audit, we considered the West Baton Rouge Parish Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the West Baton Rouge Parish Council, management, the Louisiana State Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Yours truly,

Hawthorn, Weymouth, & Carroll L.L.P.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



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June 30, 2004

**Report on Compliance with Requirements Applicable
to Each Major Program and Internal Control Over
Compliance in Accordance With OMB Circular A-133**

West Baton Rouge Parish Council
Port Allen, Louisiana

Board Members:

We have audited the compliance of the

**West Baton Rouge Parish Council
Port Allen, Louisiana**

with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003. The West Baton Rouge Parish Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of West Baton Rouge Parish Council's management. Our responsibility is to express an opinion on the West Baton Rouge Parish Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the West Baton Rouge Parish Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the West Baton Rouge Parish Council's compliance with those requirements.

In our opinion, the West Baton Rouge Parish Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the West Baton Rouge Parish Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the West Baton Rouge Parish Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the West Baton Rouge Parish Council, management, the Louisiana State Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Yours truly,

Hawthorn, Weymouth, & Carroll LLP.

**West Baton Rouge Parish Council
Schedule of Findings and Questioned Costs
Year Ended December 31, 2003**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting

* Material weakness(es) identified:

Yes No

* Reportable condition(s) identified that are not considered to be material weaknesses:

Yes No

Noncompliance material to financial statements noted:

Yes No

Federal Awards

Internal control over major programs

* Material weakness(es) identified:

Yes No

* Reportable condition(s) identified that are not considered to be material weaknesses:

Yes No

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133:

Yes No

Identification of major programs:

CFDA Numbers

20.205

Federal Program or Cluster

South Westport Drive Rehabilitation

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee:

Yes No

**West Baton Rouge Parish Council
Schedule of Findings and Questioned Costs
Year Ended December 31, 2003**

Compliance

2003-1 Audit Report

Condition

The audit report is to be submitted no more than six months after the end of the fiscal year. The report has been delayed due to the unforeseen issues in the conversion to GASB34.

Recommendation

Planning and preparation should be made to anticipate circumstances which would delay report beyond the required filing date.

Management's Repsonse

Management agrees with the recommendation.

Corrective Action

Proper planning and scheduling will be implemented and monitored to insure the report is timely filed in the future.