

West Baton Rouge Parish Public Utility  
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1994 and 1995

**NOTE 11. OTHER INCOME**

Other income as of November 30, 1994 and 1995 was composed of the following:

	1994	1995
Service charges	\$ 8,843	\$ 4,430
Sever fees	113,143	79,435
Charges to other systems	1,959	2,859
Garbage billing fees	3,626	3,536
Miscellaneous income	<u>4,228</u>	<u>2,496</u>
Total	\$ <u>127,799</u>	\$ <u>92,756</u>

**NOTE 12. ACCUMULATED UNPAID VACATION**

The Utility has the following policy relating to vacation:

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

Each employee accrues annual leave on January 1 of each year for that year. Employees can accumulate up to 300 hours of unused vacation.

As of November 30, 1994 and 1995, employees of the Utility had accumulated and vested \$47,418 and \$45,111, respectively, of vacation benefits.

The Utility's sick leave policy does not provide for the vesting of sick leave; therefore, there is no provision for accumulated sick leave on these statements.

West Baton Rouge Parish Public Utility  
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1994 and 1995

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)**

Cash and Investments

Cash deposited with financial institutions is carried at cost which approximates market.

Investments are stated at cost or amortized cost. Purchase discounts and premiums are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

Utility Plant and Equipment

Utility plant and equipment are recorded at original cost, including interest capitalized during the construction period. Donated fixed assets are recorded at fair market value when donated. Depreciation is recorded on all assets using the straight-line method over the estimated useful lives of the assets. The service lives by type of asset are as follows:

Gas system	10-25 years
Water system	10-20 years
Sewer System	20 years
Utility equipment	5-10 years
Office equipment	5-10 years
Vehicles	4-5 years
Buildings	20 years

Deferred Expenses

The cost of issuing Utility Revenue Bonds is being amortized over the term of the bond issue using the straight-line method. Cost of issuing the 1993 bonds was \$13,482. Accumulated amortization was \$7,190 as of November 30, 1994 and \$5,642 as of November 30, 1995.

(CONTINUED)

West Baton Rouge Parish Public Utility

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1986 and 1985

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)**

Capitalization of Interest

Interest is capitalized on assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized during the year ended November 30, 1986 or 1985.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, West Baton Rouge Parish Public Utility considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The Public Utility does not consider its investment in WAAA and PMAC securities or any funds held by its brokers as cash equivalents (see Note 4.)

**NOTE 2. CASH AND INVESTMENTS**

Cash is shown on the balance sheet under various captions including restricted assets. The carrying value of cash on deposit with financial institutions on November 30, 1986 was \$786,523. All bank deposits were in interest bearing accounts.

The bank balances of these deposits totaled \$786,523 on November 30, 1986. At November 30, 1986 the Utility's bank balances were secured by \$100,000 of FDIC insurance, and \$686,523 of collateral held by the pledging financial institution's agent in the name of the pledging financial institutions and pledged to the Utility (GAAP Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAP Statement No. 3, Louisiana Revised Statute 39:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

(CONTINUED)

**West Baton Rouge Parish Public Utility**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS - (Cont'd)**

**November 30, 1996 and 1995**

**NOTE 2. CASH AND INSTRUMENTS - (Cont'd)**

Under state law, the West Baton Rouge Parish Public Utility may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana. Funds may also be invested in direct United States Treasury obligations and obligations guaranteed by federal agencies provided such obligations are backed by the full faith and credit of the United States of America. Investment is also permitted in obligations issued or guaranteed by U.S. government instrumentalities, which are federally sponsored. Statutes also allow the Utility to invest in any investment as stipulated in R.S. 33:2053.

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

**NOTE 3. RESTRICTED ASSETS**

The restricted assets are accounts required to be maintained under the terms of the bond indenture of the outstanding Utilities Revenue Bonds dated August 1, 1993. These bonds were issued during 1993 when Utility Revenue Bonds dated December 1, 1964 were defeased.

The "Sinking Fund" is to be used to pay the principal of and interest on the Bonds as they become due and payable. The Utility is required to deposit into this account, on a monthly basis, 1/6th of the interest due on the Bonds on the next interest payment date and 1/12th of the principal due on the Bonds on the next principal date.

The "Reserve Fund" is to be used solely for the purpose of paying the principal of and interest on the Bonds payable from the aforementioned Sinking Fund which would otherwise be in default. The Reserve Fund was established by depositing \$42,500 of the proceeds of the

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**CALVIN L. ROBBINS, JR.**

CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL CORPORATION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Parish President, and the  
Chairman and Members of the West  
Baton Rouge Parish Council  
Baton Rouge Parish Council  
Four Allen, Louisiana

I have audited the financial statements of West Baton Rouge Parish Public Utility, a component unit of the West Baton Rouge Parish Council, as of and for the year ended November 30, 1986, and have issued my report thereon dated May 20, 1987.

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

Compliance with laws, regulations, contracts, and grants applicable to West Baton Rouge Parish Public Utility is the responsibility of the Management of the Utility. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Water Utility's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

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

This report is intended for the information of management and the members of the West Baton Rouge Parish Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Certified Public Accountant  
A Professional Corporation

May 20, 1987

West Baton Rouge Parish Public Utility  
 Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1996 and 1995

**NOTE 3. RESTRICTED ASSETS - (Cont'd)**

Bonds into this account immediately upon delivery of the Bonds. Monthly deposits of \$1,200 transferred from the Revenue Fund must be made until the Reserve Fund equals \$22,000.

The "Contingencies Fund" is to be used for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Monthly transfers must be made from the Revenue Fund to the Contingencies Fund in an amount equal to five percent (5%) of the gross revenues of the system for the preceding month, provided that such amount remains after the payment of all reasonable and necessary expenses of operating and maintaining the system and after the aforementioned Sinking Fund and Reserve Fund have been funded. Monthly transfers are to continue until the Contingencies Fund has a balance of \$20,000 and needs to be resumed if the fund is reduced below \$20,000.

**NOTE 4. INVESTMENTS**

At November 30, the Public Utility had investments as follows:

1996:	<u>Carrying Amount</u>	<u>Market Value</u>
FEMA and FEMA Pools, a		
U.S. Treasury Notes		
4.375 to 7.875%, due		
1/15/97 to 1/15/98	\$ 222,743	\$ 200,787
Fairly Money Cash and		
Money Funds	<u>10,181</u>	<u>10,181</u>
Total	\$ <u>232,924</u>	\$ <u>210,968</u>

The decline in market is considered a temporary decline due to interest rate fluctuations. The securities are expected to be held until maturity, therefore the securities are carried at amortized cost.

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**CALVIN L. ROBBINS, JR.**

CERTIFIED PUBLIC ACCOUNTANT  
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May 20, 1997

West Baton Rouge Parish Council  
Port Allen, Louisiana

I have audited the financial statements of the West Baton Rouge Public Utility for the year ended November 30, 1996 and have issued my report thereon dated May 20, 1997. As part of my audit, I made a study and evaluation of the Utility's system of internal accounting control to the extent I considered necessary solely to determine the nature, timing, and extent of my auditing procedures. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as whole, and I do not express such an opinion.

During my examination I became aware of an opportunity for strengthening internal controls and operating efficiency. I discussed the following suggestion with the Utility's management.

Reconciliation of Accounts Receivable

As noted in my management letter last year, the billing register should be reconciled to the general ledger on a monthly basis and that had not been done. During the current year the staff of the Utility did reconcile the billing register to the general ledger for some months, but not all twelve months. I discussed this recommendation with the Utility's management, who plan to take steps this year to reconcile the billing register with the general ledger monthly.

I will be happy to assist you in addressing this suggestion. It has been a pleasure to serve you during the course of this engagement.

  
Certified Public Accountant

West Baton Rouge Parish Public Utility  
 Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1996 and 1995

**NOTE 4. INVESTMENTS - (Cont'd)**

1995:	Carrying Amount	Market Value
FEMA and FISC Pools,		
US Treasury Notes and		
Bonds 6.25% to 7.875%		
due 1/31/96 to 2/15/98	\$ 515,683	\$ 497,938
Fairfax Webster Cash and		
Money Funds	<u>11,854</u>	<u>11,854</u>
Total	\$ <u>527,537</u>	\$ <u>509,792</u>

The investments are held by the Public Utility's broker in its street name. Because the securities are not in the name of the Public Utility, and are not held by the District or its agents, the securities are considered unsecured and unregistered, GASM category 3.

**NOTE 5. UTILITY PLANT AND EQUIPMENT**

Utility plant and equipment consisted of the following:

	Cost	Accumulated Depreciation	Book Value
As of November 30, 1996:			
Gas distribution system	\$2,337,528	\$1,361,786	\$ 1,035,342
Water distribution system	5,333,423	1,469,867	3,763,766
Sewer system	822,079	35,866	787,019
Utility and sewer equipment	323,484	230,881	98,373
Office equipment	123,187	90,268	28,923
Vehicles	338,193	266,291	83,011
Buildings	187,193	70,329	98,874
Land	43,978	-0-	43,978
Construction in progress	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	\$2,362,832	\$2,417,832	\$9,848,247

(CONTINUED)

West Baton Rouge Parish Public Utility  
 Fort Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)  
 November 30, 1996 and 1995

NOTE 5. UTILITY PLANT AND EQUIPMENT - (Cont'd)

	Cost	Accumulated Depreciation	Book Value
As of November 30, 1995:			
Gas distribution system	\$2,262,754	\$1,259,226	\$ 943,418
Water distribution system	8,187,402	1,262,829	6,924,573
Sewer system	722,878	12,940	699,938
Utility and power equipment	326,989	210,826	116,163
Office equipment	124,152	67,123	57,029
Vehicles	222,483	188,212	34,271
Buildings	187,123	68,374	118,749
Land	41,978	-0-	41,978
Construction in progress	-0-	-0-	-0-
<b>Totals</b>	<b><u>\$8,903,185</u></b>	<b><u>\$3,125,782</u></b>	<b><u>\$5,777,403</u></b>

NOTE 6. REVENUE BONDS PAYABLE

The following is a summary of utility revenue bond transactions of the Public Utility for the years ended November 30, 1996 and 1995:

	1996	1995
Bonds payable, December 1	\$ 570,800	\$ 645,800
Bonds retired	<u>100,800</u>	<u>175,000</u>
Bonds payable, November 30	\$ <u>470,000</u>	\$ <u>470,800</u>

(CONTINUED)

West Baton Rouge Parish Public Utility  
 Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1996 and 1995

**NOTE 6. REVENUE BONDS PAYABLE** - (Cont'd)

Revenue bonds payable at November 30, 1996 and 1995 consisted of the following:

	1996	1995
\$648,000 Utilities Revenue Bonds Series 1993, dated August 1, 1993; due in several installments of \$60,000 to \$110,000 through August 1, 2001; 7% interest, principal and interest to be paid from the income and revenue derived from the operation of the Public Utility.	\$ 498,000	\$ 578,000
Less Current Portion	____83,000	____83,000
Long Term Portion	\$ <u>415,000</u>	\$ <u>495,000</u>

The annual requirements to amortize the revenue bonds payable as of November 30, 1996 are as follows:

Year Ending November 30.	Principal	Interest	Total
1997	\$ 65,000	\$ 34,300	\$ 119,300
1998	90,000	28,300	118,300
1999	100,000	22,000	122,000
2000	105,000	18,000	123,000
2001	110,000	7,700	117,700
Total	\$ <u>420,000</u>	\$ <u>107,400</u>	\$ <u>527,400</u>

West Baton Rouge Parish Public Utility

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1986 and 1985

**NOTE 7. PENSION PLAN**

Substantially all employees of the West Baton Rouge Parish Public Utility 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 separate benefit provisions. All employees of the Public Utility are members of Plan A.

All permanent employees working at least 56 hours per week and 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, or at or after age 55 with 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 prior to 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 prior to 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 who do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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West Baton Rouge Parish Public Utility

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1996 and 1995

NOTE 9. WEST BATON ROUGE PARISH COUNCIL

Contributed Capital - During the year ended November 30, 1996, two complete sewer systems were contributed to the West Baton Rouge Parish Council by real estate developers in the Parish. The Parish Council then contributed these systems to the West Baton Rouge Parish Public Utility. The fair market value of the systems contributed was \$116,208.

During the year ended November 30, 1995, the West Baton Rouge Parish Council transferred a completed sewer system to the West Baton Rouge Parish Public Utility. Cost of the system was \$419,749.

Garbage Billing Fee - The West Baton Rouge Public Utility bills and collects Garbage Fees for the West Baton Rouge Parish Council. The Utility is paid \$ .33 per customer billing for providing this service. The Utility earned \$9,416 for the year ended November 30, 1996 and \$9,536 for the year ended November 30, 1995 for providing this service. The Utility owed the Council \$8,867 for garbage fees collected and other amounts collected but not remitted to the Council at November 30, 1996. The amount owed to the Council at November 30, 1995 was \$9,712.

NOTE 10. ACCOUNTS RECEIVABLE

Accounts receivable at November 30, 1996 and 1995 was made up of the following:

	1996	1995
Customer accounts:		
billed	\$ 216,378	\$ 183,788
unbilled	78,288	86,073
Receivable from		
other water systems	34,685	33,830
Miscellaneous receivables	<u>        8</u>	<u>      212</u>
Total	329,359	299,923
Less allowance for doubtful account	<u>12,828</u>	<u>12,927</u>
Net	\$ <u>316,531</u>	\$ <u>287,000</u>

West Baton Rouge Parish Public Utility

Fort Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1996 and 1995

**NOTE 8. WATER SYSTEM AGREEMENT - (Cont'd)**

Rental income from the leased water systems was \$1,351 for the year ended November 30, 1996 and \$313 for the year ended November 30, 1995.

A separate operating agreement entered into with Water Works District No. 4, requires the Public Utility to operate the systems it leases to Water Works District No. 4. The agreement also provides for the Public Utility to operate any additional water systems acquired or constructed by the Water Works District. The operating agreement's term coincides with that of the local services agreement described above. Fees under the operating agreement are based on the Water System's proportionate share of the Public Utility's office, administrative, operating and maintenance expenses. The Public Utility billed Water Works District No. 4 \$73,300 under the operating agreement for the year ended November 30, 1996 and \$71,878 for the year ended November 30, 1995. In addition, the Public Utility billed Water Works District No. 4 \$49,132 and \$33,236 during the years ended November 30, 1996 and 1995 for additional maintenance and repair services provided that were not covered by the original operating agreement. Water Works District No. 4 owed the Public Utility \$14,862 and \$16,817 as of November 30, 1996 and 1995, respectively for these services. The receivables are included in Accounts Receivable on the Balance Sheet.

In addition to the regular services provided for under the Water Service Agreement, the Public Utility assisted Water Works District No. 4 in relocating some of its water lines during the year ended November 30, 1996. The relocation was required by the Louisiana Department of Transportation (See Note 14). Total cost of relocating the Water District's lines was \$48,498. The balance owed to the Public Utility as of November 30, 1996 and 1995 was \$34,619, and is shown in the Other Asset section of the Balance Sheet.

## West Baton Rouge Parish Public Utility

Port Allen, Louisiana

OPERATING STATISTICS (UNAUDITED) - (Cont'd)

November 30, 1996 and 1995

An analysis of gas sales and purchases for the year ended November 30, 1996 is as follows:

	Amount	MCF
Gas sales	\$ 1,773,038	347,945
Gas loss accounted for		4,283
Less gas purchases	<u>953,940</u>	<u>388,428</u>
Gross Profit on Gas Sales	\$ <u>819,098</u>	
MCF Loss Unaccounted for on sales		<u>13,233</u>
Percent of Loss	<u>3.7%</u>	

The water division of the West Baton Rouge Parish Public Utility was serving 1,008 customers at November 30, 1996.

Operations of the Water Division for the current year are reflected in the following statistical data:

	Liquid	Chemical Plant	Others
Water sales	\$ 377,635	\$ 23,000	\$ 316,820
M gallons sold	559,080	44,810	386,280
Total number of customers' billings	12	12	31,428
Average number of customers billed per month	1	1	569
Average monthly revenue per customer	\$ 19,813	\$ 1,834.	\$ 26.89
Average revenue per M gallons	\$ .43	\$ .50	\$ 1.11

operation, and I assessed control risk in order to determine auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

An important element in designing an internal accounting control system that safeguards assets and reasonably assures the reliability of the accounting records is the concept of segregation of responsibilities. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions:

- 1) Authorization of a transaction;
- 2) Recording of the transaction; and
- 3) Custody of assets involved in the transaction.

Due to the small size of the organization, a proper segregation of duties is not possible with respect to cash transactions. Management believes it is not practical or cost effective to correct this weakness.

This condition was considered in determining the nature, timing, and extent of audit tests to be applied in my audit of the November 30, 1996 financial statements and this report does not affect my report on those financial statements dated May 20, 1997.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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.

May 28, 1997

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe that the reportable condition disclosed above relating to lack of segregation of duties is a material weakness.

This report is intended for the information of management and members of the West Baton Rouge Parish Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Certified Public Accountant  
(A Professional Corporation)

May 28, 1997  
Baton Rouge, Louisiana

West Baton Rouge Parish Public Utility  
 Fort Allen, Louisiana

INSURANCE COVERAGE (CONTINUED)

November 28, 1986

Insurance and fidelity bond coverage on November 28, 1986 were as follows:

Expiration	Insurance	Coverage
February 1, 1987	Commercial Union Insurance (Automobile Insurance) Property damage	Bodily injury liability- \$500,000; Comprehensive, \$200 deductible; Uninsured motorists \$100,000; Collision \$250 deductible.
January 1, 1987	Parish Government Risk Management Agency (Workmen's Compensation)	Statutory rates, \$100,000 maximum.
March 29, 1987	Bancor Insurance Co. (General Liability)	General aggregate limit, \$2,800,000; Products-completed operation aggregate, \$2,000,000, each occurrence \$1,000,000; Personal and advertising injury limit \$1,000,000; Fire damage, \$50,000 any one fire; Medical expense, \$5,000 any one person.
February 17, 1987	Western Surety Co.	Public Official's Bond (Ronald E. Treull) \$100,000.
March 20, 1987	Western Surety Co.	Position surety bond on the following: Office manager, three secretaries, meter readers, \$5,000 each.
October 8, 1987	Commercial Union Insurance Company	Water tower coverage, coverage varies by tower, \$10,000 deductible, 90% coinsurance.

West Baton Rouge Parish Public Utility  
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1998 and 1999

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Cont'd)

conformance with GASH Statement No. 14, the West Baton Rouge Parish Public Utility includes all funds, account groups, or others, that are within the oversight responsibility of the Public Utility. Based on the criteria set forth in GASH Statement No. 14, the Public Utility is a component unit of the West Baton Rouge Parish Council. The basic criteria is the Council's ability to exercise oversight responsibility.

Other criteria used to determine if a governmental unit is a component unit are financial interdependency, designation of management, the ability to significantly influence operations and accountability for fiscal matters. Based on all the criteria set forth the West Baton Rouge Parish Public Utility has no component units.

Enterprise Fund

The West Baton Rouge Parish Public Utility is operated as an enterprise fund of the West Baton Rouge Parish Council, and as such employs the accrual method of accounting. Revenues are recognized when they are earned, and their expenses are recognized when incurred. Revenue from utility services provided but not yet billed to customers are recognized in the period in which the services were provided.

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

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**CALVIN L. ROBBINS, JR.**

CERTIFIED PUBLIC ACCOUNTANT  
(A PROFESSIONAL CORPORATION)

**MANAGEMENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL  
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Parish President, and the  
Chairman and Members of the West  
Baton Rouge Parish Council  
Port Allen, Louisiana

I have audited the financial statements of West Baton Rouge Parish Public Utility, a component unit of the West Baton Rouge Parish Council, as of and for the year ended November 30, 1996, and have issued my report thereon dated May 20, 1997.

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

Management of the Utility is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of West Baton Rouge Parish Public Utility, a component unit of the West Baton Rouge Parish Council, for the year ended November 30, 1996, I obtained an understanding of the Utility's internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in

West Baton Rouge Parish Public Utility

Port Allen, Louisiana

STATEMENTS OF CHANGES IN  
CONTRIBUTED CAPITAL

For the years ended November 30, 1994 and 1995

	1994	1995
Beginning Balance, December 1	\$ 1,644,308	\$ 1,026,459
Contributions during the year	<u>118,200</u>	<u>828,788</u>
Balance, November 30	\$ <u>1,762,508</u>	\$ <u>1,855,247</u>

The sources of contributions  
at November 30, 1994 and 1995  
are as follows:

Federal Government-through the Parish Council	\$ 1,349,479	\$ 1,349,479
Developers	118,200	-0-
Parish Council	<u>325,728</u>	<u>425,728</u>
Balance, November 30	\$ <u>1,762,508</u>	\$ <u>1,855,247</u>

See accompanying notes to financial statements.

West Baton Rouge Parish Public Utility

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1994 and 1993

**NOTE 13. CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

The following current liabilities were payable from restricted assets as of November 30, 1994 and 1993:

	<u>1994</u>	<u>1993</u>
Revenue bonds payable (See Note 6)	\$ 85,800	\$ 85,800
Accrued interest	11,433	13,300
Customers' deposits	<u>162,356</u>	<u>175,483</u>
Total	\$ <u>259,589</u>	\$ <u>274,583</u>

**NOTE 14. PAYABLE TO STATE OF LOUISIANA**

The Public Utility was required by the Louisiana Department of Transportation to relocate some gas and water lines located on highway right-of-ways, to allow for widening of those highways. The Public Utility received \$191,908 from the Louisiana Department of Transportation (DOTD) during the year ended November 30, 1993. Of this amount, \$113,467 was a loan from DOTD and is shown as a current liability on the balance sheet and \$78,441 was a grant from DOTD. The Public Utility had not repaid the loan as of November 30, 1994.

**NOTE 15. POST-EMPLOYMENT HEALTH CARE BENEFITS**

Retiree Benefits

In addition to the pension benefits described in Note 7, the Parish Council adopted an ordinance that provides post-retirement health care benefits to all employees who retire from the Utility at or after age 43 with at least 15 years of service, at or after the age 55 with 25 years of service, or at any age with 30 years of service. Currently, two retirees meet those eligibility requirements. The Utility pays for 80 percent of the medical insurance costs for retirees. The cost of retiree health care benefits is recognized as an expenditure as paid. For the years ended November 30, 1994 and 1993, those costs totaled \$4,907 and \$4,904, respectively.

(continued)

West Baton Rouge Parish Public Utility  
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

November 30, 1996 and 1995

**NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS - (Cont'd)**

COBRA Benefits

Under the Consolidated Budget Reconciliation Act (COBRA), the Public Utility provides health insurance benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are to be paid in full by the insured. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the Public Utility under this program. There were no participants in the program as of November 30, 1996 and 1995.

**NOTE 14. DEFERRED DEBT**

During the year ended November 30, 1993, pursuant to Chapter 14 of Title 38 of the Louisiana Revised Statutes of 1980, as amended, the Utility elected to defease the Utilities Revenue Bonds dated December 1, 1984 that were outstanding as of July 31, 1993. The aggregate principal outstanding as July 31, 1993 was \$32,088. The Utility deposited \$80,747 with First National Bank of Commerce, New Orleans, Louisiana (the Escrow Agent), to be applied exclusively to purchase government obligations for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Public Utility's financial statements.

These bonds were defeased to allow the Public Utility to issue new bond indebtedness to finance new construction of gas and water system extensions. No proceeds from the new bond issue were used to defease the old bonds.

As of November 30, 1996 and 1995, the defeased debt had been retired.

**West Baton Rouge Parish Public Utility**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS - (Cont'd)**

**November 30, 1996 and 1995**

**NOTE 17. RELATED PARTY TRANSACTIONS**

In addition to the transactions discussed in Notes 6 and 8 to these financial statements the West Baton Rouge Parish Public Utility had dealings with another component unit of the West Baton Rouge Parish Council.

The utility and another water system in the Parish share the cost of operating a water well. The Utility billed the other system \$7,196 and \$10,226 for costs paid by the Utility during the years ended November 30, 1996 and 1995 respectively. The other system owed the Utility \$7,783 at November 30, 1996 and \$6,413 at November 30, 1995.

The other system billed the Utility for \$6,242 and \$5,724 for costs it paid during the years ended November 30, 1996 and 1995 respectively. The Utility owed the other system \$6,242 at November 30, 1996 and \$5,724 at November 30, 1995.

**NOTE 18. MAJOR CUSTOMERS AND CREDIT CONCENTRATIONS**

Water sales to Placid Refining Company accounted for 41.26% of water sales for the year ended November 30, 1996 and 48.84% for the year ended November 30, 1995. The receivable from Placid was approximately 7.39% of total accounts receivable at November 30, 1996 and 8.96% of total accounts receivable at November 30, 1995.

Gas sales to a customer in the highway construction business accounted for 23.82% of gas sales for the year ended November 30, 1996 and 11.17% for the year ended November 30, 1995. The receivable from this customer was approximately 16.45% of total accounts receivable at November 30, 1996 and 18.03% of the accounts receivable balance at November 30, 1995.

There is also a concentration of credit risk with respect to accounts receivable associated with the limited geographic area served by the West Baton Rouge Parish Public Utility.

SUPPLEMENTARY INFORMATION

West Baton Rouge Parish Public Utility

Port Allen, Louisiana

OPERATING STATISTICS (UNAUDITED)

November 30, 1996 and 1995

On November 30, 1996, the natural gas system was serving 3,187 customers as compared to 3,147 on November 30, 1995. The number of customers billed during the current period and other customer data are presented below:

Gas Sales	\$ 1,772,888
MCF's of gas sold	347,945
Total number of customers' billings	38,879
Average number of customers billed per month	3,215
Average monthly revenue per customer	\$ 48.99
Average revenue per MCF billed	\$ 5.18

**West Baton Rouge Parish Public Utility**

**Terre Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS - (Cont'd)**

**November 30, 1996 and 1995**

**NOTE 7. PENSION PLAN - (cont'd)**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70896-4619, or by calling (504) 328-1361.

**Funding Policy.** Under plan A, members are required by state statute to contribute 3.5 percent of their annual covered salary and the West Baton Rouge Parish Public Utility is required to contribute at an actuarially determined rate. The current rate is 7.26 percent of annual covered payroll. Contributions to the System also include one-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 Public Utility are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, 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 Public Utility contributions to the System under Plan A for the years ending November 30, 1995, 1996, and 1997, were \$47,819, \$58,344, and \$56,478, respectively, equal to the required contributions for each year.

**NOTE 8. WATER SYSTEM AGREEMENT**

The West Baton Rouge Parish Public Utility leases several water systems to Meter Works District No. 4 (another component unit of the West Baton Rouge Parish Council) under a local services agreement entered into in February, 1992. The lease expired in 1995.

**(CONTINUED)**

West Baton Rouge Parish Council

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the West Baton Rouge Parish Public Utility. Such information, except for the schedule of Insurance Coverage and operating statistics marked "unaudited", on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

In accordance with Government Auditing Standards, I have issued a report dated May 20, 1997 on my consideration of the West Baton Rouge Parish Public Utility's internal control structure, and a report dated May 20, 1997 on its compliance with laws and regulations.

  
Certified Public Accountant  
(A Professional Corporation)

May 20, 1997  
Baton Rouge, Louisiana

## West Baton Rouge Parish Public Utility

Port Allen, Louisiana

## STATEMENT OF REVENUES AND EXPENSES

For the years ended November 30, 1984 and 1983

	1984	1983
<b>Operating Revenues</b>		
Gas sales	\$ 1,773,838	\$ 1,459,969
Water sales	576,437	488,983
Fees/charges	38,987	34,983
Extension and connection charges	31,688	39,239
Service agreement (See Note 8)	124,788	164,528
Other income (See Note 11)	127,898	80,886
Bad debt recovery	336	528
	<u>2,643,798</u>	<u>2,132,931</u>
<b>Total Operating Revenues</b>	<b>2,643,798</b>	<b>2,132,931</b>
<b>Operating Expenses</b>		
Gas purchases	969,948	533,131
Water purchases	2,165	5,013
Salaries and wages	697,137	664,221
Depreciation	232,466	227,074
Water and system repairs and supplies	128,838	87,107
Bad debts	8,488	2,379
Billing expense	8,810	1,824
Cathodic protection	9,541	11,697
Collection expense	1,300	1,300
Equipment rental and repair	10,880	13,166
Equipment service contracts	22,857	26,588
Gas tap maintenance charge	5,400	5,400
Insurance - employee benefits	52,376	56,803
Insurance and surety bonds	79,471	68,398
Miscellaneous	38,828	29,373
Office supplies and postage	16,895	13,865
Payroll taxes	5,957	4,376
Professional services	19,377	22,544
Telephone	5,381	5,348
Truck and travel	37,823	33,280
Utilities	82,023	85,584
Retirement	47,829	50,144
Unemployment taxes and workmen's compensation	44,823	41,726
	<u>2,512,751</u>	<u>1,869,518</u>
<b>Total Operating Expenses</b>	<b>2,512,751</b>	<b>1,869,518</b>
<b>Operating Income</b>	<b>131,047</b>	<b>263,413</b>

(CONTINUED)

See accompanying notes to financial statements.

West Baton Rouge Parish Public Utility

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

November 30, 1994 and 1995

INTRODUCTION

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements of the West Baton Rouge Parish Public Utility have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards. The Financial Accounting Standards Board (FASB) and the Accounting Principles Board are the accepted standard setting body for establishing accounting and financial reporting standards for entities other than governmental units. The Utility applies all FASB pronouncements and APB opinions issued on or before November 30, 1989, unless those pronouncements conflict with GASB pronouncements, in which case, GASB prevails.

Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in

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West Baton Rouge Parish Public Utility  
Port Allen, Louisiana

FINANCIAL STATEMENTS AND SUPPLEMENTAL MATERIAL

November 30, 1990 and 1989

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

Revised Date 012-1-9-1987



**CALVIN L. ROBBINS, JR.**

CERTIFIED PUBLIC ACCOUNTANT  
(A MEMBERSHIP CORPORATION)

Independent Auditor's Report

West Baton Rouge Parish Council  
Port Allen, Louisiana

I have audited the financial statements of the West Baton Rouge Parish Public Utility, a component unit of the West Baton Rouge Parish Council, for the years ended November 30, 1996 and 1995, listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Public Utility. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and ~~Government Auditing Standards~~ issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note 3, the financial statements present only the West Baton Rouge Parish Public Utility and are not intended to present fairly the financial position of West Baton Rouge Parish and the results of its operations and cash flows of its enterprise fund types and nonexpendable trust funds in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Baton Rouge Parish Public Utility, at November 30, 1996 and 1995, and the results of its operations, for the years then ended and cash flows for the years ended November 30, 1996 and 1995 in conformity with generally accepted accounting principles.

In the course of my audit, nothing came to my attention that caused me to believe there has been any material lack of compliance with the accounting or reporting requirements of the bond ordinance under which outstanding revenue bonds have been issued.

## West Baton Rouge Parish Public Utility

Port Allen, Louisiana

SCHEDULE OF CHANGES IN UTILITY PLANT AND EQUIPMENT

For the year ended November 30, 1996 and 1995

	Cost November 30, 1995	Additions	Deletions	Cost November 30, 1996
Gas distribution system	\$2,261,756	\$ 124,774	\$ -0-	\$2,387,530
Water distribution system	5,187,602	41,621	-0-	5,229,223
Sewer System	783,878	126,298	-0-	910,176
Utility and sewer equipment	316,853	6,801	-0-	323,654
Office equipment	124,152	7,965	-8-	132,109
Vehicles	281,883	17,014	14,595	284,302
Buildings	187,193	-0-	-0-	187,193
Land	41,974	-0-	-0-	41,974
Construction in progress	-0-	-0-	-0-	-0-
<b>Totals</b>	<b>\$8,995,191</b>	<b>\$ 329,362</b>	<b>\$ 14,603</b>	<b>\$9,289,950</b>

**BALANCE SHEETS**

West Baton Rouge Parish Public Utility  
 Port Allen, Louisiana

BALANCE SHEETS

November 30, 1996 and 1995

A S S E T S

	1996	1995
<b>Current Assets</b>		
Cash:		
Payroll account	\$ 14,348	\$ 8,988
Revenue account	198,589	89,137
On hand	888	895
Investments	<u>248,864</u>	<u>138,237</u>
Total Cash	462,689	237,357
Investments (See Note 4)	536,850	527,487
Accounts Receivable (See Note 10)	314,333	388,039
Prepaid expenses	34,282	39,402
Accrued interest receivable	<u>—</u>	<u>2,341</u>
Total Current Assets	<u>1,348,154</u>	<u>1,294,633</u>
<b>Restricted Assets - (See Note 1)</b>		
Construction Fund	—	144
Bond Sinking Fund	45,989	44,872
Bond Reserve Fund	83,444	81,380
Contingencies Fund	84,812	53,383
Customers' deposits	<u>182,238</u>	<u>175,882</u>
Total Restricted Assets	<u>396,483</u>	<u>355,561</u>
<b>Utility Plant and Equipment</b>		
At cost, net of accumulated depreciation (See Note 5)	<u>2,865,142</u>	<u>2,772,443</u>
<b>Other Assets</b>		
Bond insurance expense	6,382	7,640
Tue from Water District No. 4 (See Note 6)	<u>34,819</u>	<u>34,819</u>
Total Other Assets	<u>41,201</u>	<u>42,459</u>
<b>Total Assets</b>	<u>\$ 2,595,188</u>	<u>\$ 2,389,156</u>

LIABILITIES AND FUND EQUITY

	1986	1985
<u>Current Liabilities - (Payable from Current Assets)</u>		
Accounts payable	\$ 129,238	\$ 83,888
Contracts payable	5,700	-
Accrued and withheld taxes and expenses	99,245	35,499
Miscellaneous payables	18,344	4,565
Payable to other systems and the Parish Council	19,864	17,498
Payable to State of Louisiana	<u>113,467</u>	<u>113,467</u>
Total liabilities (Payable from current Assets)	_ 272,261	_ 251,023
 <u>Current Liabilities - (Payable from Restricted Assets) (See Note 12)</u>	 _ 278,328	 _ 281,283
 <u>Long-Term Liabilities</u>		
Reverse bonds - net of current maturities (See Note 8)	495,000	495,000
Accumulated unpaid vacation (See Note 12)	<u>47,618</u>	<u>48,113</u>
Total long-term liabilities	<u>542,618</u>	<u>543,113</u>
 Total liabilities	 1,193,208	 1,065,213
 <u>Fund Equity</u>		
Contributed capital	1,762,408	1,688,208
Retained earnings	<u>4,321,428</u>	<u>4,327,331</u>
Total Fund Equity	<u>6,083,836</u>	<u>6,283,539</u>
 Total Liabilities and Fund Equity	 \$ 2,383,166	 \$ 2,284,988

See accompanying notes to financial statements.

## West Baton Rouge Parish Public Utility

Port Allen, Louisiana

STATEMENTS OF CHANGES IN  
RETAINED EARNINGS

For the years ended November 30, 1996 and 1995

	1996	1995
Beginning Balance, December 1	\$ 4,557,301	\$ 4,380,251
Net income for the year	<u>144,083</u>	<u>171,880</u>
Balance, November 30	\$ <u>4,701,384</u>	\$ <u>4,552,131</u>

Retained earnings at November 30, 1996 and 1995 consists of the following:

Reserved - for bond retirement	\$ 86,013	\$ 86,279
Unreserved	<u>4,615,371</u>	<u>4,465,852</u>
Balance, November 30	\$ <u>4,701,384</u>	\$ <u>4,552,131</u>

See accompanying notes to financial statements.

West Baton Rouge Parish Public Utility  
 Fort Allen, Louisiana

STATEMENTS OF REVENUES AND EXPENSES - (Cont'd)

For the years ended November 30, 1984 and 1985

	1984	1985
Operating Income		
from the preceding page	\$ 290,882	\$ 279,292
<u>Nonoperating Revenues</u>		
Interest on investments and savings	53,430	44,804
Gain on investment transactions	<u>715</u>	<u>762</u>
Total Nonoperating Revenues	\$ 54,145	\$ 45,566
<u>Nonoperating Expenses</u>		
Interest on bonds	30,833	43,400
Amortization of debt issuance expenses	1,340	1,340
Trustee fees	<u>1,536</u>	<u>2,342</u>
Total Nonoperating Expenses	\$ 33,709	\$ 47,082
 Net Income	 \$ 311,318	 \$ 277,776

See accompanying notes to financial statements.

West Baton Rouge Parish Public Utility  
 Port Allen, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended November 30, 1996 and 1995

Increase (Decrease) in Cash and Cash Equivalents

	1996	1995
<u>Cash Flows from Operating Activities:</u>		
Operating income	\$ 1,152,251	\$ 1,172,582
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	252,465	257,075
Bad debts resulting from an increase in allowance for doubtful accounts	822	-0-
(Increase) Decrease in assets:		
Accounts receivable	127,817	125,442
Prepaid expenses	16,880	1,506
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	182,382	112,500
Contracts payable	2,708	-0-
Miscellaneous payables	11,358	888
Payable to other systems	1,568	9,547
Accumulated unpaid vacation	2,807	7,612
Customer deposits	<u>8,613</u>	<u>7,282</u>
Total adjustments	<u>322,642</u>	<u>318,827</u>
Net cash provided by operating activities	480,804	378,071

(Continued)

See accompanying notes to financial statements.

## West Baton Rouge Parish Public Utility

Park Allen, Louisiana

STATEMENT OF CASH FLOWS - (Cont'd)

For the years ended November 30, 1994 and 1995

	<u>Increase (Decrease) in Cash and Cash Equivalents</u>	
	1994	1995
Not cash before cash flows before investing activities - from the preceding page	\$ 148,898	\$ (183,816)
<u>Cash Flows from Investing Activities:</u>		
Interest and dividends on investments	55,769	43,483
Purchase of investment securities	(8,038)	(6,133)
Net cash provided (used) by investing activities	47,731	37,350
Net decrease in cash and cash equivalents	107,167	(147,398)
Cash and cash equivalents at the beginning of the year	600,312	747,623
Cash and cash equivalents at the end of the year	\$ 493,145	\$ 600,225

Cash Flow DisclosuresNoncash Investing, Capital, and Financing Activities

During 1994 two complete sewer systems were contributed to the West Baton Rouge Parish Council by real estate developers. The Parish Council then contributed those systems to the West Baton Rouge Parish Public Utility. The fair market value of the systems contributed was \$126,200. During 1995 a complete sewer system costing \$618,748 was contributed to the West Baton Rouge Parish Public Utility by the West Baton Rouge Parish Council.

<u>Interest Paid</u>	1994	1995
Interest charged to expense	\$ 39,898	\$ 45,350
Interest capitalized	\$ -0-	\$ -0-

See accompanying notes to financial statements.

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