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EAST ALLEN PARISH WATERWORKS DISTRICT
Oberlin, Louisiana

Financial Report

Year Ended December 31, 1987

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

Release Date 2/12/88

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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The Board of Commissioners
East Allen Parish Waterworks District
Olivier, Louisiana

We have audited the accompanying general purpose financial statements of the East Allen Parish Waterworks District (District), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the East Allen Parish Waterworks District, as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report, dated May 24, 1998 on our consideration of the District's internal control structure and its compliance with laws and regulations.

CHAMPAGNE
KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the East Allen Parish Waterworks District 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 general purpose financial statements of the East Allen Parish Waterworks District. Such information, except for the portion marked "Unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to such general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes was taken from the financial report dated June 30, 1997 for that year in which we expressed an unqualified opinion on the general purpose financial statements of East Allen Parish Waterworks District.

Kolder, Champagne, Slamm & Rainey, L.L.C.
Certified Public Accountants

Shreveport, Louisiana
May 28, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

EAST ALABAMA PUBLIC SERVICE DISTRICT
 OBERLIN, LOUISIANA
 Proprietary Fund Type-Enterprise Fund
 Utility Fund

Comparative Balance Sheet
 December 31, 1997 and 1996

	1997	1996
ASSETS		
Current assets:		
Cash	\$ 79,045	\$ 79,450
Time deposits	89,882	89,884
Accounts receivable, net of allowance for uncollectible accounts (1997 - \$53); 1996 - \$420)	17,328	18,885
Accrued interest	282	331
Total current assets	206,537	208,550
Restricted assets:		
Revenue bond and interest sinking account -		
Interest-bearing deposits	120,839	120,856
Revenue bond reserve account -		
Interest-bearing deposits	46,876	56,285
Revenue bond contingency account -		
Interest-bearing deposits	43,546	56,843
Customer deposits -		
Cash	2,628	2,508
Total restricted assets	213,889	236,492
Property, plant and equipment:		
Property, plant and equipment at cost, net of accumulated depreciation (1997 \$738,180; 1996 \$654,175)	3,148,333	3,339,340
Good issue costs, net of accumulated amortization (1997 \$24,302; 1996 \$12,432)	24,302	24,302
Organization costs, net of accumulated amortization (1997 \$8,485; 1996 \$5,466)	21,844	22,181
Total assets	63,688,416	62,663,875

The accompanying notes are an integral part of this statement.

1997 1996

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities (payable from current assets) -		
accounts payable	\$ 4,000	\$ 1,816
Accrued liabilities	<u>2,383</u>	<u>1,586</u>
Total current liabilities (payable from current assets)	<u>6,383</u>	<u>3,402</u>

Current liabilities (payable from restricted assets) -		
Revenue bonds payable	10,000	50,000
Interest payable	83,180	83,890
Customer's deposits	<u>2,638</u>	<u>2,500</u>
Total current liabilities (payable from restricted assets)	<u>95,818</u>	<u>136,390</u>

Long-term liabilities -		
Revenue bonds payable	710,450	760,410
Compensated absence payable	<u>7,378</u>	<u>8,890</u>
Total long-term liabilities	<u>717,828</u>	<u>769,300</u>

Total liabilities 819,029 900,092

Fund equity:

Contributed capital -		
Metroworks district customers	60,070	60,070
Federal grants, net of accumulated amortization		
(1997 \$647,487; 1996 \$608,280)	<u>1,687,503</u>	<u>1,528,713</u>
Total contributed capital	<u>1,747,573</u>	<u>1,588,783</u>

Retained earnings -		
Reserved for revenue bond retirement	150,130	130,350
Unreserved	<u>81,382</u>	<u>82,417</u>
Total retained earnings	<u>231,512</u>	<u>212,767</u>

Total fund equity 1,979,085 1,801,550

Total liabilities and fund equity 918,014 911,642

EAST ALABAMA BANKING CORPORATION DISTRICT
 Oberlin, Louisiana
 Proprietary Fund Type-Enterprise Fund
 Utility Fund

Comparative Statement of Revenues, Expenses and
 Changes in Retained Earnings
 Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating revenues:		
Charges for services:		
Water sales	\$222,358	\$228,543
Penalties	1,488	1,386
Miscellaneous	1,878	1,814
Total operating revenues	<u>225,724</u>	<u>231,743</u>
Operating expenses:		
Salaries	82,428	84,884
Payroll taxes	1,214	884
Insurance	8,572	4,783
Office expenses	1,508	2,567
Telephones and utilities	12,708	22,833
Uniforms	848	832
Supplies and parts	12,272	22,212
Permitting	1,828	2,828
Depreciation	62,288	67,862
Bad debts expense	84	70
Accounting fees	1,808	1,800
Maintenance and repairs	12,272	7,842
Retirement expenses	4,228	1,224
Travel expenses	12,808	8,820
Miscellaneous expenses	1,228	1,284
Total operating expenses	<u>324,614</u>	<u>382,426</u>
Operating Income	<u>11,110</u>	<u>49,317</u>
Nonoperating revenues (expenses):		
Interest Income	8,448	8,250
Interest expense	<u>(12,288)</u>	<u>(12,822)</u>
Total nonoperating expenses	<u>(3,840)</u>	<u>(4,572)</u>
Net Loss	<u>(2,730)</u>	<u>(5,255)</u>
Add: Depreciation on fixed assets acquired by Federal grant revenues entirely restricted for capital acquisitions and construction that reduces contributed capital	<u>32,122</u>	<u>32,122</u>
Increase in retained earnings	<u>29,392</u>	<u>26,867</u>
Retained earnings, beginning	<u>222,562</u>	<u>205,705</u>
Retained earnings, ending	<u>251,954</u>	<u>232,572</u>

The accompanying notes are an integral part of this statement.

SAINT ALLEN PARKING WATERWORKS DISTRICT
 Oshlin, Louisiana
 Proprietary Fund Type-Maintenance Fund
 Utility Fund

Comparative Statement of Cash Flows
 Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Operating income	\$ 13,378	\$ 28,989
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation	48,384	47,880
Amortization	2,628	1,694
Increase (Decrease) in provision for uncollectible accounts	0	150
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(260)	580
Increase in prepaid expenses	-	331
(Increase) in accounts payable	190	150
Increase (Decrease) in accrued liabilities	357	(287)
Increase (Decrease) in compensated absence payable	-1,580	-2,310
Total adjustments	<u>48,322</u>	<u>47,588</u>
Net cash provided by operating activities	<u>61,700</u>	<u>76,577</u>
Cash flows used by capital and related financing activities:		
Proceeds from notes deposits	0	0
Refund of notes deposits	1800	1500
Acquisition of property, plant and equipment	(7,843)	126,920
Interest and fiscal charges paid on revenue bonds	153,894	184,827
Principal paid on revenue bonds	<u>(122,820)</u>	<u>(122,820)</u>
Net cash used by capital and related financing activities	<u>28,227</u>	<u>189,527</u>
Cash flows from investing activities:		
Net proceeds in redemptions and purchases of certificates of deposits	(2,800)	(1,800)
Interest received on interest-bearing deposits	<u>2,800</u>	<u>2,800</u>
Net cash provided by investing activities	<u>0</u>	<u>0</u>
Net increases in cash and cash equivalents	28,227	189,527
Cash and cash equivalents, beginning of period	<u>288,810</u>	<u>281,810</u>
Cash and cash equivalents, end of period	<u>317,037</u>	<u>471,337</u>

(continued)

EAST ALLEN PARISH INTERCOMMODITY DISTRICT
 Clarks, Louisiana
 Proprietary Fund Type-Enterprise Fund
 Utility Fund

Comparative Statement of Cash Flows (Continued)
 Years Ended December 31, 1997 and 1996

	1997	1996
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 78,480	\$ 75,534
Cash - restricted	0,000	0,000
Interest-bearing deposits - unrestricted	85,994	80,383
Interest-bearing deposits - restricted	159,001	181,023
Less: Certification of deposits with a maturity over three months when purchased	(180,118)	(187,457)
Total cash and cash equivalents	343,357	349,483
Cash and cash equivalents, end of period -		
Cash - unrestricted	79,845	79,490
Cash - restricted	0,000	0,000
Interest-bearing deposits - unrestricted	88,843	88,904
Interest-bearing deposits - restricted	138,240	189,043
Less: Certificates of deposit with a maturity over three months when purchased	(188,740)	(189,118)
Total cash and cash equivalents	318,188	368,297
 Net Increase	 \$ 25,170	 \$ 19,184

The accompanying notes are an integral part of this statement.

EAST ALLEN PARISH INTERMEDIARY DISTRICT
Shreve, Louisiana

Notes to Financial Statements

121 Summary of Significant Accounting Policies

The East Allen Parish waterworks district (the District), which is a component unit of the Allen Parish Police Jury, was created under the provisions of Louisiana Revised Statutes 33:1821, for the purpose of providing water to the rural areas of East Allen Parish. The District is governed by a board of commissioners composed of seven members appointed by the Allen Parish Police Jury.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Manual of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Basis

This report is comprised of a proprietary fund that is administered by the District's board of commissioners and controlled by the Allen Parish Police Jury. The accompanying financial statements present information only on the proprietary fund maintained by the District and do not present information on the Allen Parish Police Jury and the general governmental services provided by that governmental unit.

B. Fund Accounting

The accounts of the District are organized on the basis of a proprietary fund, of which there exists only an enterprise fund. 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 that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

EAST ALABAMA WATERWORKS DISTRICT
Grenada, Louisiana

Notes to Financial Statements (Continued)

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utility System and Improvements	20-50 years
Equipment	5 years

D. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables, resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not recorded due to immateriality at December 31, 1997.

E. General-Banking Details

Interest-bearing deposits are stated at cost, which approximates market. All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months.

F. Bad Debts

Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables at December 31, 1997 and 1996 was \$412 and \$445 respectively.

EAST ALLEN PARISH WATERWORKS DISTRICT
Clerdie, Louisiana

Notes to Financial Statements (Continued)

B. Vacation and Sick Leave

The District allows one week paid vacation after one year as a full-time employee. Additionally, the District allows employees to take time off (comp time) in lieu of payment for overtime hours. It is the District's policy to carry over comp time and pay it at termination if the employee has not used it all through time off. Vacation normally is taken in the year accrued, however it may be carried over if not taken. Sick leave may be carried over with no restrictions but is not payable at termination of employment and is recorded as an expense of the period in which paid. As of December 31, 1997, the liability for accrued comp time and accrued vacation was \$7,838.

B. Capitalization of Interest Expense

It is the policy of the East Allen Parish Waterworks District to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. At December 31, 1997 and 1998, there was no capitalized interest expense recorded due to immateriality.

C. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

D. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditures or legally separated for a specific future use.

EAST ALLEN PARISH WATERWORKS DISTRICT
Shreve, Louisiana

Notes to Financial Statements (Continued)

(B) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the law of any other state in the Union, or the laws of the United States. The District may invest its certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997 and 1996, the District had cash and interest-bearing deposits (bank balances) totaling \$186,880 and \$158,956, respectively, as follows:

	<u>1997</u>	<u>1996</u>
Demand deposits	\$ 77,728	\$ 72,898
Time deposits and money market accounts	<u>109,152</u>	<u>86,058</u>
Total	\$186,880	\$158,956

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 bank. 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. Deposit balances (bank balances) at December 31, 1997 and 1996 were secured as follows:

	<u>1997</u>	<u>1996</u>
Bank balances	\$186,880	\$158,956
Federal deposit insurance	\$28,359	\$56,519
Pledged securities (Category 3)	<u>258,121</u>	<u>294,356</u>
Total Federal insurance and pledged securities	\$286,479	\$304,874
Excess of Federal insurance and pledged securities over bank balances	\$100,599	\$145,918

EAST ALABAMA POWER WATERWORKS DISTRICT
Oberlin, Louisiana

Notes to Financial Statements (Continued)

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1228 imposed a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the District that the financial agent has failed to pay deposited funds upon demand.

19) Restricted Assets - Restrictive Fund Type

Restricted assets were applicable to the following at December 31:

	<u>1987</u>	<u>1986</u>
Revenue bond and interest sinking account	\$138,828	\$420,884
Revenue bond sinking account	44,078	50,293
Revenue bond contingency account	43,884	50,448
Customers' deposits	2,430	2,708
Total restricted assets	\$229,220	\$924,333

10) Fixed Assets

A summary of proprietary fund type property, plant and equipment at December 31, follows:

	<u>1987</u>	<u>1986</u>
Land	\$ 22,830	\$ 22,830
Buildings	185,540	297,588
Furniture, fixtures and equipment	48,960	48,308
Water system	2,420,812	2,287,402
Total	2,678,142	2,656,128
Less: Accumulated depreciation	(478,280)	(486,231)
Net Utility fund property, plant and equipment	\$2,199,862	\$2,169,897

EAST PALM BEACH WATERWORKS DISTRICT
Okeechobee, Louisiana

Notes to Financial Statements (Continued)

(B) Changes in Long-Term Debt

The following is a summary of debt transactions of the District for the year ended December 31, 1997:

	Utility Revenue Bonds
Long-term debt payable on January 1, 1997	\$756,433
Long-term debt issued	-
Long-term debt retired	<u>116,800</u>
Long-term debt payable at December 31, 1997	\$639,633

Long-term debt payable at December 31, 1997, is composed of the following individual issues:

Utility Revenue Bonds:

\$287,000 Utility Revenue Bonds, due
in annual installments of \$6,000 to
\$88,000 through January 24, 2000,
interest at 7.52% percent

\$287,000

The annual requirements to amortize all debts outstanding at December 31, 1997, including interest payments of \$946,696 are as follows:

December 31,	Utility Revenue Bonds
1998	\$ 44,180
1999	43,000
2000	43,415
2001	43,760
2002	43,808
2003-2007	214,204
2008-2012	222,853
2013-2017	256,873
2018-2021	219,804
2022-2025	<u>224,703</u>
	\$2,486,613

EAST ALLEN PARISH WATERWORKS DISTRICT
Shreveport, Louisiana

Notes to Financial Statements (Continued)

18) Flow of Funds Restrictions on Debt - Utility Revenue

Under the terms of the bond indenture on the \$487,808 water utility revenue bonds dated January 24, 1981, all income and revenues hereinafter referred to as revenues of every nature, earned or derived from operations of the Water Utility System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds.

Each month there will be set aside into a "Waterworks Revenue Bond and Sinking Fund" an amount sufficient to accumulate the amount needed to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payment.

There shall also be set aside into a "Waterworks Revenue Fund" a monthly amount equal to 3 percent of the amount to be paid into the sinking fund until the sum of \$18,200 has been accumulated.

Funds will also be set aside into a "Waterworks Depreciation and Contingency Fund" of first per month. Monies in this Fund shall be used to pay the major repairs due to damage caused by unforeseen contingents and for replacements made necessary by the depreciation of the system.

All of the revenues received in any fiscal year and not required to be paid into any of the above noted funds in such fiscal year shall be regarded as surplus and may be used for any lawful purpose.

The East Allen Parish Waterworks District was in compliance with all significant limitations and restrictions in the bond indenture at December 31, 1985.

19) Retirement Commitments

The District employees have elected not to be included in the Social Security system but do pay Medicare taxes. The District and its employees contribute a percentage of each employee's salary to Medicare (1.65 percent contributed by the District and 1.45 percent by each employee). The District's contribution during the year ended December 31, 1985 and 1986, amounted to \$861 and \$778, respectively.

East Allen Parish Waterworks District employees contribute to a group deferred nonparticipating tax sheltered annuity plan. The District pays 75 percent and each employee 25 percent of the monthly premium. Monthly premiums are based on each employee's age, length of employment and salary. The District's contribution to this plan during the fiscal year ended

EAST ALLEN PARISH WATERWORKS DISTRICT
Orleans, Louisiana

Notes to Financial Statements (Continued)

December 31, 1987 and 1986, amounted to \$4,388 and \$3,304, respectively. Neither the District nor its employees are obligated to make contributions and the District has no further liability to the annuity plan. Data concerning the actuarial status of the plan are not available.

(B) Pending Litigation

There is no litigation pending against the East Allen Parish Waterworks District at December 31, 1987.

(C) Contributed Capital

Amounts contributed to enterprise funds for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This amortization is charged to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities for the enterprise fund are as follows:

	<u>Grants</u>	<u>Customers</u>	<u>Total</u>
Total contributed capital	\$1,815,000	\$48,674	\$1,863,674
Less: Accumulated amortization	<u>(447,482)</u>	<u>-</u>	<u>(447,482)</u>
Net contributed capital	\$1,467,518	\$48,674	\$1,516,192

EAST ALLEN CANAL WATERSHED DISTRICT
Cochit, Louisiana

Notes to Financial Statements (Continued)

1400 Compensation of Board Members

A detail of compensation paid to the President of the Board and Board members for the year ended December 31, 1997 follows:

Paul Huff, President	\$ 780
Board members:	
Benton Smith	780
Malcolm Morrison	780
Emile Victoriano	780
Joseph Rindwell	780
J.D. Langley	780
Paul Young	780
	<hr/>
	\$3,600
	1000.00

SUPPLEMENTARY INFORMATION

INTERNAL CONTROL

AND

COMPLIANCE

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
East Allen Parish Waterworks District
Oberlin, Louisiana

We have audited the general purpose financial statements of the East Allen Parish Waterworks District (District), a component unit of the East Allen Parish Police Jury for the year ended December 31, 1997, and have issued our report thereon dated May 28, 1998. We conducted our audit in accordance with generally accepted auditing standards 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 District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

MEMBER
OF THE
FEDERAL SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
1998-1999

Inadequate Segregation of Accounting Functions

finding:

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

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 accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

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

Keller, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
May 28, 2008

OTHER DEVELOPMENT INFORMATION

EAST ALLEN PARISH WATERWORKS DISTRICT
Merida, Louisiana
Metropolitan Fund
Utility Fund

Schedule of Number of Utility Customers
(Headline)
December 31, 1997

Records maintained by the East Allen Parish Waterworks District indicated the following number of customers were being serviced during the month of December, 1997:

Water Served	773
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EAST ALLEN PARISH INTERMEDIARY DISTRICT
Oberlin, Louisiana

Summary of Prior Year Audit Findings
December 31, 1987

There were no prior year findings.