

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
KINDER, LOUISIANA

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2000

WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public statement. 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: 7-28-04

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Southwest Allen Parish Water District No. 2  
Kinder, Louisiana

We have audited the accompanying general purpose financial statements of Southwest Allen Parish Water District No. 2, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of Southwest Allen Parish Water District No. 2 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 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 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 Southwest Allen Parish Water District No. 2, as of December 31, 2003, and the results of its operations 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 21, 2004, on our consideration of Southwest Allen Parish Water District No.2's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Southwest Allen Parish Water District No. 2. Such information, except for that 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, the information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

  
Stutzman & Gates, LLC  
June 21, 2004

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GENERAL PURPOSE FINANCIAL STATEMENTS

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
PROPRIETARY FUND - ENTERPRISE FUND (ALL FUND TYPES AND ACCOUNT GROUPS)  
BALANCE SHEET, DECEMBER 31, 2003

ASSETS

Current assets:	
Cash .....	\$ 309,107
Receivables:	
Accounts - net .....	73,117
Interest .....	894
Prepaid insurance .....	3,428
	<u>TOTAL CURRENT ASSETS</u>
	386,546
Restricted assets:	
Bond sinking fund:	
Cash .....	26,889
Bond reserve fund:	
Cash .....	18,889
Bond contingency fund:	
Cash .....	92,480
Bond deposits:	
Cash .....	14,822
	<u>TOTAL RESTRICTED ASSETS</u>
	153,080
Fixed assets - net .....	2,112,635
Other assets:	
Reimbursement receivable .....	9,738
	<u>TOTAL ASSETS</u>
	\$ 3,162,088

LIABILITIES AND FUND EQUITY

Liabilities

Current liabilities (payable from current assets):	
Accounts payable .....	\$ 18,225
	<u>TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</u>
	18,225
Current liabilities (payable from restricted assets):	
Revenue bonds .....	79,000
Accrued interest .....	11,488
Bond deposits .....	9,200
	<u>TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</u>
	99,688
Long-term liabilities:	
Revenue bonds payable .....	1,992,000
	<u>TOTAL LONG-TERM LIABILITIES</u>
	1,992,000
	<u>TOTAL LIABILITIES</u>
	417,913

Fund Equity

Contributed capital .....	768,074
Retained earnings:	
Reserved for debt service .....	147,485
Unreserved .....	1,178,629
	<u>TOTAL FUND EQUITY</u>
	2,082,168
	<u>TOTAL LIABILITIES AND FUND EQUITY</u>
	\$ 3,162,088

The accompanying notes are an integral part of this statement.

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 3  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 PROPRIETARY FUND - ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
 For the Year Ended December 31, 2003

<b>OPERATING REVENUES:</b>		
Charges for services .....		\$ 479,000
Miscellaneous .....		21,236
	<b>TOTAL OPERATING REVENUES</b>	<u>500,236</u>
<b>OPERATING EXPENSES:</b>		
Advertising .....		1,786
Bank charges .....		78
Computer service .....		2,947
Contract labor .....		18,878
Depreciation .....		88,176
Don't .....		260
Insurance - general .....		31,763
Insurance - health .....		27,083
Miscellaneous .....		7,643
Office .....		7,160
Per diem .....		2,480
Postage .....		2,800
Professional fees .....		7,712
Repairs and maintenance .....		28,304
Retirement .....		18,001
Salaries .....		281,163
Supplies .....		61,090
Taxes and licenses .....		2,672
Transportation .....		12,998
Travel .....		379
Utilities .....		104,692
Vehicle lease .....		26,302
	<b>TOTAL OPERATING EXPENSES</b>	<u>668,132</u>
	<b>OPERATING INCOME</b>	<u>41,312</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest income .....		8,992
Interest expense .....		(75,188)
	<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<u>(66,196)</u>
	<b>NET INCOME</b>	<u>21,488</u>
Add current year's depreciation on fixed assets acquired by bonds externally restricted for capital expenditures that reduce restricted capital .....		<u>7,229</u>
Increase in retained earnings .....		41,963
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b> .....		<u>1,094,159</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>\$1,203,612</u>

The accompanying notes are an integral part of this statement.

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating income .....	\$ 42,749
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation .....	88,100
Reimbursement receivable .....	656
(Increase) decrease in:	
Receivable .....	3,586
Prepaid expenses .....	2,347
Increase (decrease) in:	
Accounts payable .....	(31,913)
Rent deposits .....	375
Accrued interest payable .....	(244)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>135,146</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Contributions from customers .....	4,500
Acquisition of fixed assets .....	(38,121)
Principal paid on revenue bonds .....	(84,000)
Interest paid on revenue bonds .....	(69,153)
NET CASH PROVIDED (USED) FROM (FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(110,420)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments .....	8,992
NET CASH PROVIDED (USED) FROM (IN) INVESTING ACTIVITIES	<u>8,992</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 24,118

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 674,808

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 700,918

The accompanying notes are an integral part of this statement.

**SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**INTRODUCTION**

The Southwest Allen Parish Water District No. 2 is a political subdivision of the State of Louisiana. It was created under the provisions of Louisiana Revised Statutes 10:3811, for the purpose of providing water to the rural area of Southwest Allen Parish. The District is governed by a board of commissioners composed of five commissioned members appointed by the Allen Parish Police Jury. The District primarily provides water to residential customers but does provide water to the Town of Kinder, the Casino area and a Federal prison.

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

**A. Basis of Presentation**

The accompanying general purpose financial statements of the Southwest Allen Parish Water District No. 2 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

The District is a component unit of the Allen Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District, because it appoints a voting majority of the board and has the ability to impose its will on them.

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

**C. Fund Accounting**

The Southwest Allen Parish Water District No. 2 is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that compiles its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this



SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

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

measurement basis, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues:

Those revenues susceptible to accrual are interest revenue and charges for services.

**E. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**F. Investments**

Investments are limited by Louisiana Revised Statute (R.S.) 35:2953 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**G. Prepaid Items**

The District records as prepaid expenses amounts paid in the current year that benefit future periods.

**H. Accounts Receivable**

An allowance for doubtful accounts is computed under the allowance method, based upon historical data and management's estimates of uncollectible accounts. The provision for doubtful accounts at December 31, 2003 was \$1,487.

**I. Fixed Assets**

Fixed assets of the District are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Depreciation of all depreciable fixed assets are charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation.

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

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

Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Building .....	27 years
Distribution system .....	30-50 years
Furniture & fixtures .....	5-7 years
Equipment .....	3-10 years

**J. Statement of Cash Flow**

For the purpose of the statement of cash flows, for the enterprise fund, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents. The statement reflects ending cash and cash equivalents of \$700,918 which represents unrestricted and restricted amounts of \$308,257 and \$392,661, respectively.

**K. Fund Equity**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers or customers. Reserves represent those portions of fund equity legally segregated for debt service.

**L. Compensated Absence**

The District's leave policy does not provide for the accumulation and vesting of leave.

**M. Long-Term Liabilities**

Long-term liabilities are recognized within the Enterprise Fund.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At December 31, 2003, the District has cash and cash equivalents (book balances) totaling \$700,918 as follows:

Interest-bearing demand deposits .....	\$ 218,913
Time deposits .....	463,755
Other .....	218
	<u>Total</u>
	<u>\$ 700,918</u>

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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 District has \$794,940 in deposits (collected bank balances). These deposits are secured from risk by \$271,916 of federal deposit insurance and \$430,989 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, F. S. 39.1229 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.

**NOTE 3 - FIXED ASSETS**

A summary of fixed assets at December 31, 2003, follows:

	<u>Fixed Assets</u>		
	<u>Beginning</u>	<u>Net</u>	<u>End of</u>
	<u>of Year</u>	<u>Additions</u>	<u>Year</u>
		<u>(Deletions)</u>	
Building .....	\$ 181,499	\$ -	\$ 181,499
Distribution system .....	3,241,125	73,876	3,414,981
Furniture, fixtures, & equipment ....	136,280	4,295	130,495
Land .....	56,241	-	56,241
	<u>3,675,047</u>	<u>\$ 78,171</u>	<u>3,693,198</u>
Less accumulated depreciation	1,290,982		1,290,982
Totals	<u>\$2,384,065</u>		<u>\$2,315,616</u>

Depreciation expense was \$48,579 for the year ended December 31, 2003.

**NOTE 4 - LONG-TERM LIABILITIES**

A. The following is a summary of long-term liability transactions during the year:

	<u>Total</u>
Long-term liability payable at January 1, 2003 .....	\$ 196,000
Additions .....	-
Deductions .....	<u>18,000</u>
Long-term liability payable at December 31, 2003 .....	<u>\$ 178,000</u>

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

**NOTE 4 - LONG-TERM LIABILITIES**

Bonds payable at December 31, 2003 are comprised of the following individual issues:

<b>Revenue bond</b>	
\$648,000 Utility Revenue Bonds dated 6/24/77; due in annual installments of \$16,200 - \$36,000 through May 24, 2017; interest at 5.8%. The District has the right to prepay the whole or any part of the principal amount.	<u>\$ 318,000</u>

**B. Debt Service Requirements to Maturity**

The annual requirements to amortize all debts outstanding as of December 31, 2003, including interest payments of \$156,658 are as follows:

Year Ending December 31,	Revenue
2004 .....	\$ 37,900
2005 .....	37,950
2006 .....	37,950
2007 .....	37,900
2008 .....	38,900
2009-2013 .....	191,550
2014-2017 .....	152,280
Total	<u>\$ 524,630</u>

**NOTE 5 - COMPONENTS OF RESTRICTED ASSETS**

**Enterprise Fund:**

	Revenue Bond Sinking	Revenue Bond Reserve	Revenue Bond Contingency	Customer Deposits	Totals
Cash .....	<u>\$ 36,800</u>	<u>\$ 51,680</u>	<u>\$ 95,360</u>	<u>\$ 15,600</u>	<u>\$ 199,500</u>

Certain proceeds of enterprise fund revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

**NOTE 5 - COMPONENTS OF RESTRICTED ASSETS**

"bond reserve" account is used to report resources set aside to make up potential future deficiencies in the bond sinking account. The "bond contingency" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

The amount of retained earnings reserved for revenue bond retirement is detailed as follows:

Restricted assets: revenue bond sinking, reserve and contingency funds .....	\$ 177,600
Less:	
Current maturities of revenue bonds, payable from restricted assets .....	19,600
Accrued interest, payable from restricted assets .....	11,444
Retained Earnings Reserved	\$ 147,425

**NOTE 6 - CONTRIBUTED CAPITAL**

During the year, contributed capital changed by the following amount:

Contribution from customers .....	\$ 4,999
Depreciation of fixed assets acquired by funds excessfully restricted for capital expenditures .....	17,329
	(13,399)
Contributed capital, beginning .....	711,383
Contributed capital, ending	\$768,824

**NOTE 7 - RETIREMENT COMMITMENTS**

The District established a SEP IRA for its employees in 1999. The IRA's are under the custody of Openheimer Funds Services and a separate account is administered for each participating employee. The District contributes 10% of each participating employee's monthly gross salary. Total payroll for the District was \$201,783 and total payroll for participating employees was \$201,285. The District's contribution for the year ended December 31, 2003 was \$18,091. All full time employees are eligible to participate.

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to thefts, theft of, damage to and destruction of assets; fires and explosions; injuries to employees; and natural disasters. The District maintains

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

**NOTE 8- RISK MANAGEMENT**

commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 9- OPERATING LEASES**

During the year 2001, 2002, and 2003 the District signed lease agreements with Ford Credit and Toyota Credit for the lease of these vehicles. All leases are for 36 months with monthly payments of \$383, \$168 and \$537 monthly. The leases have an option to purchase at expiration. The District does not intend to purchase these vehicles at the end of the lease term.

Future minimum rental payments are as follows:

Year Ending December 31,	Rental Payments
2004 .....	\$ 18,660
2005 .....	<u>12,682</u>
Total	<u>\$ 31,342</u>

Total rental expense for the year ended December 31, 2003 was \$20,308.

**NOTE 10- NET WORKING CAPITAL**

Net working capital at December 31, 2003 was \$148,678.

**NOTE 11- GASB STATEMENT NO. 34**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement). Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
  - Financial statements prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.).

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

**NOTE 11- GASB STATEMENT NO. 34**

- A change in the fund financial statements to focus on the major funds.

The general provisions of GASBS No. 34 must be implemented by Southwest Allen Parish Water District No. 2 no later than the fiscal year ending December 31, 2004.

**SUPPLEMENTAL INFORMATION SCHEDULES**



SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
DECEMBER 31, 2003

**Schedule of Compensation Paid to Commissioners:**

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. LA. Rev. Stat. 33:2819 allows for each commissioner to be paid up to \$60 for each meeting attended. Commissioners are paid \$40 for each meeting attended except for the President whose per diem is \$60 for each meeting attended.

Per diem paid commissioners for the year ended December 31, 2003 were as follows:

	<u>Per Diem</u>
Lee White .....	\$ 120
Percy Marshand .....	120
William B. Jackson .....	480
Johnny Wallace .....	480
Patricia Olson .....	480
	<u>\$ 2,480</u>

**SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE (UNAUDITED)  
DECEMBER 31, 2000**

**BOARD OF DIRECTORS (UNAUDITED):**

**William Jackson**  
P. O. box 1700  
Kinder, LA 70648  
337-738-2799  
January 1993 to present

**Foxy Meekins**  
463 Reston Road  
Kinder, LA 70648  
337-738-2311  
January 1993 to present

**Lee White - President**  
4435 Hwy 3E3  
Kinder, LA 70648  
337-738-3038  
January 1993 to present

**Patricia Odoms - Secretary/Treasurer**  
P. O. Box 154  
Kinder, LA 70648  
337-738-5993  
January 1993 to present

**Johnny Wallace - Vice President**  
333 Little Hill Road  
Kinder, LA 70648  
337-738-5484  
January 1993 to present

Year to year elections

**NUMBER OF RESIDENTIAL USERS ON THE SYSTEM (UNAUDITED)**  
1,682

**NUMBER OF COMMERCIAL USERS ON THE SYSTEM (UNAUDITED)**  
31

**NUMBER OF COMMERCIAL USERS HAVING METER LARGER THAN RESIDENTIAL SIZE  
(UNAUDITED)**  
31

**SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 SUPPLEMENTAL INFORMATION SCHEDULE  
 DECEMBER 31, 2009**

**PRESENT RATES**

**Allen Parish - Residential:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
First 2,000 gallons	\$10.00	Minimum charge
Next and up	0.001750	\$1.75

**Joff Davis Parish Residential:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
First 2,000 gallons	\$11.00	Minimum charge
Next and up	0.001750	\$1.75

**Commercial:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
First 15,000 gallons	\$20.00	Minimum charge
Next and up	0.001750	\$1.75

**Town of Kinder:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
0.00 gallons and up	0.000850	\$0.85

**Allen Correctional Center:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
0.00 gallons and up	0.000850	\$0.85

**School:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
0.00 gallons and up	0.001000	\$1.00

**Grand Creole Combats:**

<u>Units</u>	<u>Per Unit</u>	<u>Per 1,000 gallons</u>
0.00 gallons and up	0.000900	\$0.90

SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
 A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
 SUPPLEMENTAL INFORMATION SCHEDULE  
 SCHEDULE OF FINDINGS  
 For the Year Ended December 31, 2003

We have audited the financial statements of the Southwest Allen Parish Water District No. 2 as of and for the year ended December 31, 2003, and have issued our report dated June 22, 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. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control:**

Material Weaknesses	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Reportable Conditions	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Compliance:**

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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**Section II Financial Statement Findings**

**2003-1 IC (Material weakness)**

**Segregation of duties:** Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, and reconciling the bank statements. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the District. We recommend that the board of commissioners take an active interest in the review of all of the financial information. This was also a prior year finding.

**SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
(UNAUDITED)  
For the Year Ended December 31, 2003**

**Section I Internal Control and Compliance Material to the Financial Statements**

**200-1 IC Segregation of duties**

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person - Wayne Fortson, Manager

**SOUTHWEST ALLEN PARISH WATER DISTRICT NO. 2  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2005**

**Section 1 - Internal Control and Compliance Material to the Financial Statements**

**2003-1 IC (Ongoing finding) Segregation of duties**

**Corrective action taken -** Due to lack of sufficient financial resources, this finding cannot be resolved. See 2003-1 IC.

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INDEPENDENT AUDITOR'S REPORT SECTION

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

Board of Commissioners  
Southwest Allen Parish Water District No. 2  
Kinder, Louisiana

We have audited the general purpose financial statements of Southwest Allen Parish Water District No. 2, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2004, and have issued our report thereon dated June 21, 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 Southwest Allen Parish Water District No. 2's general purpose 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 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 Southwest Allen Parish Water District No. 2'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 not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 Southwest Allen Parish Water District No. 2's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as item 2004-1 DC.

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 (relative 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, of the reportable conditions described above, we consider item 2003-1 LC to be a material weakness.

This report is intended solely for the information and use of management, the Board of Commissioners, Southwest Allen Parish Water District No. 2, the police jury of the parish of Allen, State of Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:511, this report is distributed by the Legislative Auditor as a public document.



Suzanne & Gates, LLC

June 21, 2004