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**EAST ALLEN PARISH  
WATERWORKS DISTRICT**

Oberlin, Louisiana

Financial Report

Year Ended December 31, 2009

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

Release Date 7-28-09

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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the business-type activities and major fund of the East Allen Parish Waterworks District (District), a component unit of the East Allen Parish Police Jury, as of and for the year ended December 31, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major fund of the East Allen Parish Waterworks District, as of December 31, 2003, and the respective changes in financial position and cash flows thereof 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 a report dated April 27, 2004 on our consideration of the District'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 an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The East Allen Parish Waterworks District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. 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 basic financial statements of 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 basic financial statements and, in our opinion, is fairly stated in all material aspects in relation to the basic 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 for that year in which we expressed an unqualified opinion on the basic financial statements of East Allen Parish Waterworks District.

***Kalber, Champagne, Sirois & Company, LLC***  
Certified Public Accountants

Orleans, Louisiana  
April 27, 2004

## **BASIC FINANCIAL STATEMENTS**

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
**Obotia, Louisiana**  
**Proprietary Fund Type-Enterprise Fund**  
**Utility Fund**

**Comparative Statement of Net Assets**  
**December 31, 2003 and 2002**

ASSETS	<u>2003</u>	<u>2002</u>
<b>Current assets:</b>		
Cash	\$ 29,930	\$ 34,231
Time deposits	114,485	111,215
Accounts receivable, net of allowance	8,188	8,946
Accrued interest	43	34
Prepaid expenses	-	2,719
Total current assets	<u>152,646</u>	<u>167,135</u>
<b>Noncurrent assets:</b>		
<b>Restricted assets:</b>		
Revenue bond and interest sinking account - interest-bearing deposits	91,676	84,814
Revenue bond reserve account - interest-bearing deposits	29,887	17,139
Revenue bond contingency account - interest-bearing deposits	49,943	41,817
Customer deposits - Cash	<u>11,481</u>	<u>16,680</u>
Total restricted assets	<u>172,987</u>	<u>159,450</u>
<b>Net capital assets</b>	<u>1,844,638</u>	<u>1,996,660</u>
<b>Bond issue costs, net of accumulated amortization</b> (2003 - \$4,318; 2002 - \$3,333)	<u>5,394</u>	<u>7,392</u>
<b>Organization costs, net of accumulated amortization</b> (2003 - \$12,823; 2002 - \$12,060)	<u>36,627</u>	<u>17,363</u>
Total noncurrent assets	<u>2,042,148</u>	<u>2,081,625</u>
Total assets	<u>\$2,195,134</u>	<u>\$2,248,760</u>

The accompanying notes are an integral part of the basic financial statements.

**LIABILITIES AND NET ASSETS**

	<u>2000</u>	<u>1999</u>
<b>Liabilities:</b>		
<b>Current liabilities (payable from current assets) :</b>		
Accounts payable	\$ 1,793	\$ 711
Accrued liabilities	1,152	1,371
Compensated absences payable	-	852
<b>Total current liabilities (payable from current assets)</b>	<u>3,147</u>	<u>3,144</u>
<b>Current liabilities (payable from restricted assets) :</b>		
Revenue bonds payable	42,000	40,800
Interest payable	9,953	10,828
Customer's deposits	11,481	15,882
<b>Total current liabilities (payable from restricted assets)</b>	<u>63,434</u>	<u>67,510</u>
<b>Noncurrent liabilities -</b>		
Revenue bonds payable	<u>382,526</u>	<u>432,442</u>
<b>Total liabilities</b>	<u>449,107</u>	<u>497,497</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	1,451,902	1,466,789
Restricted for debt service	110,514	96,993
Unrestricted	<u>171,359</u>	<u>187,711</u>
<b>Total net assets</b>	<u>1,733,815</u>	<u>1,751,493</u>
<b>Total liabilities and net assets</b>	<u>\$2,182,922</u>	<u>\$2,248,990</u>

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
**Orleans, Louisiana**  
**Proprietary Fund Type-Enterprise Fund**  
**Utility Fund**

Comparative Statement of Revenues, Expenses and  
 Changes in Net Assets  
 Years Ended December 31, 2003 and 2002

	2003	2002
<b>Operating revenues:</b>		
<b>Charges for services:</b>		
Water sales	\$ 273,099	\$ 279,825
Fees	5,280	4,948
Miscellaneous	7,844	4,882
<b>Total operating revenues</b>	<u>286,223</u>	<u>289,655</u>
<b>Operating expenses:</b>		
Salaries	183,081	95,365
Payroll taxes	1,623	1,810
Insurance	14,954	11,230
Office expenses	4,525	3,494
Telephone and utilities	24,808	32,472
Uniforms	313	-
Supplies and parts	18,445	19,899
Amortization	1,741	1,541
Depreciation	78,942	69,734
Soft drinking water fee	2,448	2,077
Professional fees	8,892	5,943
Maintenance and repairs	9,527	1,434
Retirement expenses	5,192	5,849
Travel expenses	14,608	13,880
Miscellaneous expenses	2,692	3,280
<b>Total operating expenses</b>	<u>382,662</u>	<u>292,511</u>
<b>Operating income</b>	<u>7,661</u>	<u>97,144</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	3,120	1,808
Interest expense and other fiscal charges	<u>(26,948)</u>	<u>(28,627)</u>
<b>Total nonoperating expenses</b>	<u>(23,828)</u>	<u>(26,819)</u>
<b>Change in net assets</b>	<u>(16,167)</u>	<u>1,774</u>
<b>Net assets, beginning:</b>	<u>1,731,405</u>	<u>1,749,681</u>
<b>Net assets, ending</b>	<u>\$1,715,238</u>	<u>\$1,751,455</u>

The accompanying notes are an integral part of the basic financial statements.



EAST ALLEN PARISH WATERWORKS DISTRICT  
 Oberlin, Louisiana  
 Proprietary Fund Type-Enterprise Fund  
 Utility Fund

Comparative Statement of Cash Flows  
 Years Ended December 31, 2003 and 2002

	2003	2002
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$290,141	\$284,304
Payments to suppliers	(184,585)	(84,255)
Payments to employees	(183,881)	(86,365)
Net cash provided by operating activities	81,675	81,784
<b>Cash flows used by capital and related financing activities:</b>		
Proceeds from meter deposits	1,268	1,458
Interest and fiscal charges paid on revenue bonds	(24,558)	(26,983)
Principal paid on revenue bonds	(40,000)	(20,000)
Acquisition of capital assets	(9,199)	(31,286)
Net cash used by capital and related financing activities	(72,489)	(86,811)
<b>Cash flows from investing activities:</b>		
Redemptions of certificates of deposits	113,213	111,282
Purchases of certificates of deposits	(134,462)	(113,215)
Interest received on interest-bearing deposits	3,136	3,938
Net cash provided by investing activities	1,887	1,875
<b>Net increase (decrease) in cash and cash equivalents</b>	11,614	(2,862)
<b>Cash and cash equivalents, beginning of period</b>	182,745	185,707
<b>Cash and cash equivalents, end of period</b>	\$194,359	\$182,845

(continued)

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
**Orleans, Louisiana**  
**Proprietary Fund Type-Enterprise Fund**  
**Utility Fund**

Comparative Statement of Cash Flows (Continued)  
 Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,841	\$ 26,440
Adjustments to reconcile operating income to net cash provided by operating activity:		
Depreciation	78,842	69,724
Amortization	1,541	1,541
Change in assets and liabilities:		
Receivables, net	418	(972)
Accounts and other payables	1,084	(340)
Accrued expenses	(1,281)	101
Prepaid expenses	<u>2,732</u>	<u>(2,718)</u>
Net cash provided by operating activities	<u>\$ 32,075</u>	<u>\$ 91,384</u>

The accompanying notes are an integral part of the basic financial statements.

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
Oberlin, Louisiana

**Notes to Basic Financial Statements**

**(C) Summary of Significant Accounting Policies**

The accounting and reporting policies of the East Allen Parish Waterworks District (the District) conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, *Guide of State and Local Governmental Units*. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 in accounting and reporting for its proprietary fund operations unless these pronouncements conflict with or contradict GASB pronouncements.

The following is a summary of certain significant accounting policies:

**A. Financial Reporting Entity**

The East Allen Parish Waterworks District, which is a component unit of the Allen Parish Police Jury, was created under the provisions of Louisiana Revised Statutes II(351), 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.

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. Basis of Presentation**

**Government-Wide Financial Statements (GWFS)**

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. East Allen Parish Waterworks District does not have governmental activities. It's operation is a business-type activity.

EAST ALLEN PARISH WATERWORKS DISTRICT  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

C. Fund Accounting:

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District maintains only one fund and it is described below:

Proprietary Fund -

Enterprise Fund

The Enterprise fund is 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 determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The enterprise fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

The government wide and proprietary fund statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

EAST ALLEN PARISH WATERWORKS DISTRICT  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

**E. Assets, Liabilities and Equity**

**Cash and interest-bearing deposits**

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.

**Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets. They are reported at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible 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 Systems and Improvements	25-50 years
Equipment	5 years

**Compensated Absences**

The District allows non work 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, 2003 and 2002, the liability for accrued comp time and accrued vacation was \$-0- and \$662, respectively.

**Equity Classifications**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
Orlando, Louisiana

**Notes to Basic Financial Statements (Continued)**

- b. **Restricted net assets** - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net assets** - All other net assets that do not meet the definition of "restricted" or "incurred in capital assets, net of related debt."

The District uses unrestricted assets only when restricted assets are fully depleted.

**F. Revenue, Expenditures, and Expenses**

**Operating Revenue and Expenses**

Operating revenue and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**G. 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, 2003 and 2002 was \$263 and \$278, respectively.

**H. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

EAST ALLEN PARISH WATERWORKS DISTRICT  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

1. Report Classification

Certain previously reported amounts for the year ended December 31, 2000 have been reclassified to conform to the December 31, 2001 classifications.

(2) 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 laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2001 and 2000, the District had cash and interest-bearing deposits (bank balances) totaling \$218,824 and \$206,868, respectively, as follows:

	2001	2000
Demand deposits	\$ 41,853	\$ 44,934
Time deposits and money market accounts	<u>176,971</u>	<u>161,934</u>
	<u>\$218,824</u>	<u>\$206,868</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be insured 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, 2001 were secured as follows:

Bank balances	<u>\$221,613</u>
Federal deposit insurance	144,838
Pledged securities (Category 3)	<u>78,972</u>
Total federal insurance and pledged securities	<u>\$345,423</u>

Pledged securities in Category 3 include unissued or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 29:1229 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.

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
**Orleans, Louisiana**

Notes to Basic Financial Statements (Continued)

(3) **Restricted Assets - Proprietary Fund Type**

Restricted assets consisted of the following at December 31, 2003 and 2002:

	2003	2002
Revenue bond and interest sinking account	\$ 91,676	\$ 84,804
Revenue bond reserve account	38,889	17,128
Revenue bond contingency account	48,843	41,857
Customer deposits	11,893	10,683
Total restricted assets	\$174,299	\$154,472

(4) **Capital Assets**

A summary of the District's capital assets at December 31 follows:

	Beginning Balance 1/1/2003	Increases	Decreases	Ending Balance 12/31/2003
<b>Capital assets not being depreciated:</b>				
Land	\$ 33,512	\$ -	\$ -	\$ 33,512
<b>Other capital assets:</b>				
Buildings	101,362	-	-	101,362
Furniture, fixtures and equipment	90,308	-	-	90,308
Capital improvements	4,823	-	-	4,823
Water system	2,176,316	9,100	-	2,176,416
Total other capital assets at historical cost	2,956,621	9,100	-	2,965,721
<b>Less: Accumulated depreciation for:</b>				
Buildings	(181,599)	(13,886)	-	(195,485)
Furniture, fixtures and equipment	(98,813)	(1,086)	-	(99,899)
Water system	(222,688)	(23,998)	-	(246,686)
Total accumulated depreciation	(403,100)	(38,970)	-	(442,070)
<b>Other capital assets, net:</b>	1,883,521	(29,870)	-	1,853,651
<b>Business-type activities, capital assets, net</b>	\$1,906,602	\$ (29,870)	\$ -	\$1,876,732



**EAST ALLEN PARISH WATERWORKS DISTRICT**  
**Orleans, Louisiana**

Notes to Basic Financial Statements (Continued)

**(C) Changes in Long-Term Debt**

The following is a summary of debt transactions of the District for the year ended December 31, 2003:

	<u>Water Revenue Refunding Bonds</u>
Long-term debt payable at December 31, 2002	\$ 495,000
Long-term debt issued	"
Long-term debt retired	<u>(44,000)</u>
Long-term debt payable at December 31, 2003	<u>\$ 455,000</u>
 Portion of Long-term debt due within one year	 <u>\$ 42,000</u>

Long-term debt payable at December 31, 2003 is composed of the following individual issues:

**Utility Revenue Bonds:**

\$621,808 Water Revenue Refunding Bonds, Series 1998, due in annual installments of \$42,000 - \$60,000 through February 1, 2012; interest at 5.25 percent	\$ 615,000
Less unamortized deferred loss on early retirement of debt	<u>(59,794)</u>
	<u>\$ 555,206</u>

The annual requirements to amortize all debt outstanding at December 31, 2003 is as follows:

	Principal	Interest	Total
2004	\$ 42,000	\$ 22,785	\$ 64,785
2005	44,000	20,928	64,928
2006	46,000	18,165	64,165
2007	48,000	15,688	63,688
2008 - 2012	<u>275,000</u>	<u>36,880</u>	<u>311,880</u>
 Total	 <u>\$ 455,000</u>	 <u>\$ 114,606</u>	 <u>\$ 569,606</u>

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
Oberlin, Louisiana

**Notes to Basic Financial Statements (Continued)**

**(6) Flow of Funds, Restrictions on Use - Utility Revenues**

Under the terms of the bond indenture on the \$621,808 water utility revenue refunding bonds dated August 1, 1998, 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 Interest 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.

Funds will also be set aside into a "Waterworks Depreciation and Contingency Fund" of five percent per annum of the amount paid into the sinking fund. Monies in this fund shall be used to pay the major repairs due to damage caused by unforeseen catastrophe and for replacements made necessary by the depreciation of the system.

All of the revenues received in any fiscal year and that are not required to be paid into any of the above noted funds in each 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 as of December 31, 2003.

**(7) 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 (1.45 percent contributed by the District and 1.45 percent by each employee). The District's contribution during the years ended December 31, 2003 and 2002 amounted to \$1,925 and \$1,268, respectively.

East Allen Parish Waterworks District employees contribute to a group deferred nonparticipating tax sheltered annuity policy. The District pays 78 percent and each employee 20 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 years ended December 31, 2003 and 2002 amounted to \$5,382 and \$1,848, 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.

**EAST ALLEN PARISH WATERWORKS DISTRICT**  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(8) **Compensation of Board Members**

A detail of compensation paid to the President of the Board and board members for the year ended December 31, 2001 follows:

Paul Staff, President	\$ 394
Board members:	
Benton Smith	720
Malcolm Bernard	720
Eddie Victorin	720
Tony Hubert	720
J.D. Langley	480
Paul Young	<u>960</u>
	<u>\$4,814</u>

(9) **Risk Management**

The District is exposed to risks of loss in the areas of general liability, property hazards and worker's compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance during the year.

(10) **Pending Litigation**

There is no litigation pending against the East Allen Parish Waterworks District at December 31, 2001.

## SUPPLEMENTARY INFORMATION

**COMPLIANCE  
AND  
INTERNAL CONTROL**

**KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER OF:  
ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF COST ACCOUNTANTS  
INTERNATIONAL ASSOCIATION

**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 financial statements of the business-type activities and the major fund of East Allen Parish Waterworks District (District), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2003, which comprise the District's basic financial statements, and have issued our report thereon dated April 27, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 financial statements and not 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. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at item 03-11(C).

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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 basic 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 solely for the information and use of management and is not intended to be used and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Kohler, Champagne, Slaven & Company, LLC*  
Certified Public Accountants

Obotia, Louisiana  
April 27, 2024

**OTHER SUPPLEMENTARY INFORMATION**



EAST ALLEN PARISH WATERWORKS DISTRICT  
Orleans, Louisiana  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2003 and 2002

Records maintained by the East Allen Parish Waterworks District indicated the following number of customers were being serviced during the months of December, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Water (metered)	862	862

**BASF ALLEN PARISH WATERWORKS DISTRICT**  
 Gretna, Louisiana

**Summary Schedule of Current and Prior Year Audit Findings  
 and Corrective Action Plan**  
 Year Ended December 31, 2001

Fiscal Year Finding Initials	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<b>CURRENT YEAR (12/31/01) -</b>					
<b>Internal Control:</b>					
81-400 Unknown	Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Clydean Roberts, Clerk	N/A
<b>PRIOR YEAR (12/31/00) -</b>					
<b>Internal Control:</b>					
90-400 Unknown	Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Clydean Roberts, Clerk	N/A