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

Financial Report

Year Ended December 31, 2006

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 6-6-07

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scroggins, CPA
Christina L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guldry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Chris E. Bilski, CPA

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddill St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8881

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 West Sixth Avenue
Oberlin, LA 70565
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7948

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

INDEPENDENT ACCOUNTANT'S REPORT

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clostio, CPA 2007

WEB SITE:
WWW.KSRCPAS.COM

* A Professional Accounting Corporation

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

We have reviewed 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 Allen Parish Police Jury, as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. All information included in these financial statements is the representation of the management of the East Allen Parish Waterworks District.

A review consists principally of inquiries of the District's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

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

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included on page 19 is presented only for supplementary analysis purposes. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

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CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The information on pages 20-22 is presented only for supplemental analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

The financial statements for the year ended December 31, 2005 were reviewed by us and, in our report dated May 1, 2006, we stated that we were not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
April 26, 2007

BASIC FINANCIAL STATEMENTS

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

Comparative Statement of Net Assets
December 31, 2006 and 2005

	2006	2005
ASSETS		
Current assets:		
Cash	\$ 44,462	\$ 32,288
Time deposits	124,511	118,697
Accounts receivable, net of allowance	18,402	10,428
Accrued interest	16	325
Total current assets	187,391	161,738
Noncurrent assets:		
Restricted assets:		
Revenue bond and interest sinking account - Interest-bearing deposits	98,531	92,887
Revenue bond reserve account - Interest-bearing deposits	31,820	28,199
Revenue bond contingency account - Interest-bearing deposits	41,040	37,430
Customer deposits - Cash	15,633	14,283
Total restricted assets	187,024	172,799
Net capital assets	1,686,308	1,757,195
Bond issue costs, net of accumulated amortization (2006 - \$6,772; 2005 - \$5,968)	4,090	4,895
Organization costs, net of accumulated amortization (2006 - \$15,032; 2005 - \$14,296)	14,418	15,154
Total noncurrent assets	1,891,840	1,950,043
Total assets	\$2,079,231	\$2,111,781

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

	<u>2006</u>	<u>2005</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 4,723	\$ 4,284
Accrued liabilities	<u>2,559</u>	<u>2,794</u>
Total current liabilities (payable from current assets)	<u>7,282</u>	<u>7,078</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	48,000	46,000
Interest payable	7,037	8,072
Customer's deposits	<u>15,633</u>	<u>14,283</u>
Total current liabilities (payable from restricted assets)	<u>70,670</u>	<u>68,355</u>
Noncurrent liabilities -		
Revenue bonds payable	<u>262,376</u>	<u>307,893</u>
Total liabilities	<u>340,328</u>	<u>383,326</u>
Net assets:		
Invested in capital assets, net of related debt	1,423,932	1,449,302
Restricted for debt service	116,354	104,444
Unrestricted	<u>198,617</u>	<u>174,709</u>
Total net assets	<u>1,738,903</u>	<u>1,728,455</u>
Total liabilities and net assets	<u>\$2,079,231</u>	<u>\$2,111,781</u>

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

Comparative Statement of Revenues, Expenses and
Changes in Net Assets
Years Ended December 31, 2006 and 2005

	2006	2005
Operating revenues:		
Charges for services -		
Water sales	\$ 313,763	\$ 296,658
Penalties	10,940	9,974
Miscellaneous	8,212	7,849
Total operating revenues	332,915	314,481
Operating expenses:		
Salaries	113,322	112,376
Payroll taxes	1,863	2,689
Insurance	10,796	13,927
Office expenses	3,961	4,380
Telephone and utilities	35,822	34,184
Uniforms	-	165
Supplies and parts	21,814	17,101
Amortization	4,024	4,024
Depreciation	75,374	73,801
Safe drinking water fee	2,558	2,490
Professional fees	5,729	5,048
Maintenance and repairs	7,180	6,599
Retirement expenses	6,480	6,234
Travel expenses	18,200	16,500
Miscellaneous expenses	4,177	4,654
Total operating expenses	311,300	304,172
Operating income	21,615	10,309
Nonoperating revenues (expenses):		
Interest income	5,899	3,473
Interest expense and other fiscal charges	(17,066)	(20,295)
Total nonoperating expenses	(11,167)	(16,822)
Change in net assets	10,448	(6,513)
Net assets, beginning	1,728,455	1,734,968
Net assets, ending	\$ 1,738,903	\$ 1,728,455

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, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Receipts from customers	\$ 332,915	\$ 314,282
Payments to suppliers	(126,350)	(110,363)
Payments to employees	<u>(113,322)</u>	<u>(112,376)</u>
Net cash provided by operating activities	<u>93,243</u>	<u>91,543</u>
Cash flows used by capital and related financing activities:		
Proceeds from meter deposits	1,350	1,050
Interest paid on revenue bonds	(18,165)	(20,527)
Principal paid on revenue bonds	(46,000)	(44,000)
Acquisition of capital assets	<u>(4,487)</u>	<u>(25,125)</u>
Net cash used by capital and related financing activities	<u>(67,302)</u>	<u>(88,602)</u>
Cash flows from investing activities:		
Redemptions of certificates of deposits	118,697	115,790
Purchases of certificates of deposits	(124,511)	(118,697)
Interest received on interest-bearing deposits	<u>6,272</u>	<u>3,285</u>
Net cash provided by investing activities	<u>458</u>	<u>378</u>
Net increase in cash and cash equivalents	26,399	3,319
Cash and cash equivalents, beginning of period	<u>205,087</u>	<u>201,768</u>
Cash and cash equivalents, end of period	<u>\$ 231,486</u>	<u>\$ 205,087</u>

(continued)

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

Comparative Statement of Cash Flows (Continued)
Years Ended December 31, 2006 and 2005

	2006	2005
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 21,615	\$ 10,309
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	75,374	73,801
Amortization	4,024	4,024
Change in assets and liabilities		
Receivables, net	(7,974)	(199)
Accounts and other payables	439	3,661
Accrued expenses	(235)	(53)
Net cash provided by operating activities	\$ 93,243	\$ 91,543
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash	\$ 46,571	\$ 25,240
Interest-bearing deposits	277,213	292,318
Less: Certificates of deposit with a maturity over three months	(118,697)	(115,790)
Total cash and cash equivalents	205,087	201,768
Cash and cash equivalents, end of period -		
Cash	60,095	46,571
Interest-bearing deposits	295,902	277,213
Less: Certificates of deposit with a maturity over three months	(124,511)	(118,697)
Total cash and cash equivalents	231,486	205,087
Net increase	\$ 26,399	\$ 3,319

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

EAST ALLEN PARISH WATERWORKS DISTRICT
Oberlin, Louisiana

Notes to Basic Financial Statements

(1) 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, Audits 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 those 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 33:3811, 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. Its 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 System and Improvements	25-50 years
Equipment	5 years

Compensated Absences

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, 2006 and 2005, there was no liability for accrued comp time and accrued vacation due to immateriality.

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
Oberlin, 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 “invested in capital assets, net of related debt.”

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

F. Revenues and Expenses

Operating Revenues and Expenses

Operating revenues 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, 2006 and 2005 was \$569 and \$322, 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

EAST ALLEN PARISH WATERWORKS DISTRICT
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(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, 2006 and 2005, the District had cash and interest-bearing deposits (book balances) totaling \$355,997 and \$323,784, respectively, as follows:

	2006	2005
Demand deposits	\$ 60,095	\$ 46,571
Time deposits and money market accounts	295,902	277,213
	\$ 355,997	\$ 323,784

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, 2006 were secured as follows:

Bank balances	\$ 360,120
Federal deposit insurance	264,218
Pledged securities (Category 3)	95,902
Total federal insurance and pledged securities	\$ 360,120

Pledged securities in Category 3 include uninsured 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 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.

EAST ALLEN PARISH WATERWORKS DISTRICT
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at December 31, 2006 and 2005:

	2006	2005
Revenue bond and interest sinking account	\$ 98,531	\$ 92,887
Revenue bond reserve account	31,820	28,199
Revenue bond contingency account	41,040	37,430
Customer deposits	15,633	14,283
Total restricted assets	\$ 187,024	\$ 172,799

(4) Capital Assets

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

	Beginning Balance 1/1/2006	Increases	Decreases	Ending Balance 12/31/2006
Capital assets not being depreciated:				
Land	\$ 22,937	\$ -	\$ -	\$ 22,937
Other capital assets:				
Buildings	331,162	-	-	331,162
Furniture, fixtures and equipment	76,548	1,700	-	78,248
Capital improvements	36,113	-	-	36,113
Water system	2,579,446	2,787	-	2,582,233
Total other capital assets at historical cost	3,023,269	4,487	-	3,027,756
Less: Accumulated depreciation for				
Buildings	243,199	13,867	-	257,066
Furniture, fixtures and equipment	53,267	4,099	-	57,366
Water system	992,545	57,408	-	1,049,953
Total accumulated depreciation	1,289,011	75,374	-	1,364,385
Other capital assets, net	1,734,258	(70,887)	-	1,663,371
Business-type activities, capital assets, net	\$ 1,757,195	\$ (70,887)	\$ -	\$ 1,686,308

EAST ALLEN PARISH WATERWORKS DISTRICT
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Changes in Long-Term Debt

The following is a summary of debt transactions of the District for the year ended December 31, 2006:

	<u>Water Revenue Refunding Bonds</u>
Long-term debt payable at December 31, 2005	\$ 369,000
Long-term debt issued	-
Long-term debt retired	<u>(46,000)</u>
Long-term debt payable at December 31, 2006	<u>\$ 323,000</u>
Portion of Long-term debt due within one year	<u>\$ 48,000</u>

Long-term debt payable at December 31, 2006 is composed of the following individual issue:

Utility Revenue Bonds:

\$621,000 Water Revenue Refunding Bonds, Series 1998, due in annual installments of \$44,000 - \$60,000 through February 1, 2012; interest at 5.25 percent	\$323,000
Less unamortized deferred loss on early retirement of debt	<u>(12,624)</u>
	<u>\$310,376</u>

The annual requirements to amortize all debt outstanding at December 31, 2006 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 48,000	\$ 15,698	\$ 63,698
2008	51,000	13,098	64,098
2009	53,000	10,368	63,368
2010	56,000	7,507	63,507
2011	60,000	4,462	64,462
2012	<u>55,000</u>	<u>1,444</u>	<u>56,444</u>
Total	<u>\$ 323,000</u>	<u>\$ 52,577</u>	<u>\$ 375,577</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 \$621,000 water utility revenue refunding bonds dated August 1, 1998, all income and revenues (hereinafter referred to as revenue) 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 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, 2006.

(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, 2006 and 2005 amounted to \$1493 and \$1,473, respectively.

East Allen Parish Waterworks District employees contribute to a group deferred nonparticipating tax sheltered annuity policy. The District pays 70 percent and each employee 30 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, 2006 and 2005 amounted to \$6,480 and \$6,234, 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, 2006 follows:

Pearl Shuff, President	\$ 594
Board members:	
Malcolm Bertrand	720
Essie Victorian	780
Tony Hebert	780
Clifton Robinson	780
Benton Smith	720
Paul Young	780
	<u>\$ 5,154</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, 2006.

SUPPLEMENTARY INFORMATION

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

Schedule of Number of Utility Customers
December 31, 2006 and 2005

Records maintained by the East Allen Parish Waterworks District indicated the following number of customers were being serviced during the month of December, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Water (metered)	898	885

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

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Allen J. LaBry, CPA
Albert R. Leger, CPA,PFS,CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Chris E. Bilski, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Ciofalo, CPA 2007

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddell St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

Independent Accountant's Report on Applying Agreed-Upon Procedures

WEB SITE:
WWW.KCSRCPAS.COM

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the East Allen Parish Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about East Allen Parish Waterworks District's compliance with certain laws and regulations during the year ended December 31, 2006 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures exceeding the \$20,000 and \$100,000 thresholds during the fiscal year ended December 31, 2006.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Since the East Allen Parish Waterworks District consists of only a proprietary fund, no budget is required.

6. Trace the budget adoption and amendments to the minute book.

This procedure was not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

This procedure was not applicable.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct general ledger account.

- (c) determine whether payments received approval from proper authorities.

No exceptions were noted.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

East Allen Parish Waterworks District is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of East Allen Parish Waterworks District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
April 26, 2007

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

12/31/06 (Date Transmitted)

KOLDER CHAMPAGNE SLAVEN & Co LLC
183 SOUTH BEADLE
LAFAYETTE LA 70508 (Auditors)

In connection with your review of our financial statements as of ^{12/31/06}~~(date)~~ and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..
Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.
Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.
Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Calypso Helms

Clerk
Secretary 12/31/06 Date

Treasurer _____ Date

✓ *Pearl B Shuff*

President 12/31/06 Date