

**PECAN ISLAND WATERWORKS DISTRICT
NO. 3 OF VERMILION PARISH, LOUISIANA**

FINANCIAL STATEMENTS

Fifteen Months Ended December 31, 2000

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 State's House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-09

TABLE OF CONTENTS

Accountant's Report	1
FINANCIAL SECTIONS	
Management's Discussion and Analysis	3-5
Financial Statements:	
Statement of net assets	6
Statement of revenues, expenses and changes in fund net assets	7
Statement of cash flows	8
Notes to the financial statements	9-13
SUPPLEMENTAL INFORMATION	
Independent Accountant's Report on Applying Agreed-upon Procedures	15-17
Louisiana Assertion Questionnaire	18-19



A Corporation of Certified Public Accountants

Board of Commissioners
Pecan Island Waterworks District No. 3
of Warrilow Parish, Louisiana
Kaplan, Louisiana

We have compiled the accompanying financial statements of the Pecan Island Waterworks District No. 3 of Warrilow Parish, Louisiana, a component unit of the Warrilow Parish Police Jury, as of and for the fifteen months ended December 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the District. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of State law, we have issued a report, dated June 1, 2004, on the results of our agreed-upon procedures.

Donald, Siler & Friedrich

A Corporation of Certified Public Accountants

Baton Rouge, Louisiana
June 1, 2004

Edward H. Donald, CPA, District 1000
Paul R. Siler, CPA, District 2002

W. Larry Allen, CPA, CMA, CFP®
Bobby F. Brubaker, CPA
Clayton E. Donald, CPA, CMA
Edward H. Donald, III, CPA
Stephen W. Higginbotham, CPA
John F. Amato, CPA
Jennifer L. Karpis, CPA, CFP®
Chris A. Miller, CPA, CMA
Stephen K. Swaffin, MBA, CPA
Steven G. Moore, CPA

Wade S. Lorenz, Jr., CPA, CMA

William F. Donald, CPA

David A. Lorenz, III, MPA, CPA

Thomas T. Landry, CPA

James B. Maguire, CPA

John Younger Morrison, CPA

Richard A. Clark, CPA

Lawrence V. Venter, CPA

Michael D. Swaffin, CPA

James C. Moore, CPA

Chris S. Young, CPA

Richard Ann Watts, CPA

Adam L. Cary, CPA

Member of
American Institute of
Certified Public Accountants

Member of Louisiana
Institute of Certified Public Accountants

FINANCIAL SECTION

Management's Discussion and Analysis

As management of the Ponca Island Waterworks District No. 3 of Vermilion Parish, Louisiana, we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District, for the fifteen months ended December 31, 2005. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Profile of the Government

On October 1, 2002, the Ponca Island Waterworks District No. 3 of Vermilion Parish, Louisiana was formed and provides water services to its customers who were formerly served by the Waterworks District No. 1 of the Parish of Vermilion, State of Louisiana. The District is a component unit of the Vermilion Parish Police Jury because the Parish must approve all officials appointed to the District's Board of Commissioners.

This is the first reporting period that the District has presented its financial statements as a separate legal entity. The activities reported are from inception of the District, October 1, 2002 through December 31, 2005. In future years, comparative analysis of government-wide data will be presented.

Financial Highlights

The financial statements provide these insights into the results operations for the fifteen months ended December 31, 2005.

- Capital contributions from the Waterworks District No. 1 of the Parish of Vermilion, State of Louisiana totaled \$972,763, of which \$271,194 represented capital assets.
- A significant portion of the District's net assets (88%) are invested in capital assets, which accounts for \$845,765 of the District's \$958,237 total net assets.
- Operating revenues totaled \$122,597 for services provided to 393 customers. Water usage fees accounted for approximately 93 percent of the total operating revenues.
- Operating expenses, excluding depreciation expense of \$41,218, totaled \$94,879 with salaries and payroll taxes representing 34 percent.
- The District noted a positive cash flow of \$48,647 from operations.

Using This Financial Report

This report contains a series of financial statements. The statement of net assets on page 6 and the statement of revenues, expenses, and changes in net assets on page 7 provide information on all activities of the District as a whole. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The accompanying financial statements present information only on the funds maintained by the District.

All of the District's expenses incurred for the provision of water services are reported in a proprietary fund, which focuses on measuring the total cost, including depreciation of the services, and primarily recovering those costs through user fees or other revenue sources. This fund is reported using the accrual basis of accounting, which measures revenues when earned and expenses when incurred.

The Fund Maintained by the District as a Whole

The analysis below will focus on key elements of the total funds for the fifteen months ended December 31, 2003. In future years, when prior year information is available, a comparative analysis of the funds maintained by the District will be presented.

Condensed Statement of Net Assets

Assets:	
Current and restricted assets	\$ 120,917
Capital assets, net	<u>845,786</u>
Total assets	<u>\$ 966,703</u>
Current liabilities	<u>8,486</u>
Net assets:	
Investment in capital assets	845,786
Unrestricted	<u>112,471</u>
Total net assets	<u>958,257</u>
Total liabilities and net assets	<u>\$ 966,763</u>

Change in Net Assets

Operating revenues	\$ 121,597
Operating expenses	<u>(140,863)</u>
Operating loss	(19,266)
Nonoperating revenues	
Interest income	1,469
Capital contributions	<u>932,763</u>
Increase in net assets	<u>\$ 932,217</u>

Depreciation expense totaled \$45,124 for the fifteen months ended December 31, 2003. Operating expenses, excluding depreciation, totaled \$94,839. Excluding depreciation, the District realized a net operating income of \$27,758.

Capital Assets

The District had invested \$541,785 in capital assets net of accumulated depreciation as of December 31, 2000. Capital assets are categorized as follows:

Capital Assets at December 31, 2000

Buildings and improvements	\$ 154,560
Equipment	12,810
Improvements other than buildings	721,631
Accumulated depreciation	(645,220)
Total capital assets net of accumulated depreciation	\$ 233,781

Major capital asset events during the current period included the following:

- Capital contributions of capital assets totaled \$271,194 from the Waterworks District No. 1 of the Parish of Vermilion, State of Louisiana.
- Depreciation expense relating to contributed capital assets totaled \$41,630.

Additional information on the District's capital assets can be found in Note 5, page 12.

Cash Management Policies and Practices

The District is allowed to invest in obligations of the U.S. Government that are federally sponsored, and certificates of deposits of state banks and national banks that have their main office in the . The District does not invest in time deposits with Bozot Bank.

Risk Management

The District has an insurance policy through the commercial insurance market to cover certain risks of loss related to the following:

- Theft of assets
- Damage of assets
- Errors and omissions
- Injuries to employees
- Natural disasters

Requests for Information

This financial report is designed to provide a general overview of the Pecos Island Waterworks District No. 1 of Vermilion Parish, Louisiana's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Yvonne Cooney, Sr., Board Chairman, Pecos Island Waterworks District No. 1, 17915 W. LA Hwy 82, Kaplan, LA. 70448.

PECAN ISLAND WATERWORKS DISTRICT NO. 5 OF VERMILION PARISH, LOUISIANA

Statement of Net Assets
December 31, 2002

ASSETS	
Current assets:	
Cash	\$ 41,374
Investments	84,479
Accounts receivable	<u>8,840</u>
Total current assets	<u>134,793</u>
Restricted assets:	
Cash - customer deposits	<u>7,121</u>
Capital assets:	
Buildings and improvements	154,960
Equipment	33,818
Improvements other than buildings	721,631
Less: Accumulated depreciation	<u>(481,234)</u>
Total capital assets, net of accumulated depreciation	<u>399,175</u>
Total assets	<u>\$ 962,793</u>
LIABILITIES	
Current liabilities:	
Accrued payroll and payroll taxes	\$ 974
Accrued expenses and sales taxes	<u>1,767</u>
Total current liabilities	2,741
Current liabilities payable from restricted assets:	
Customer's water deposits	<u>7,121</u>
Total liabilities	<u>9,862</u>
NET ASSETS	
Invested in capital assets, net of related debt	845,796
Unrestricted	<u>112,451</u>
Total net assets	<u>958,247</u>
Total liabilities and net assets	<u>\$ 962,793</u>

The accompanying notes are an integral part of these financial statements.

BECHAN ISLAND WATERWORKS DISTRICT NO. 3 OF VERMILION PARISH, LOUISIANA

Statement of Revenues, Expenses and Changes in Net Assets
 Fifteen Months Ended December 31, 2003

Operating revenues:	
Water sales	\$ 119,483
Delinquent charges	899
Water fees	2,130
Miscellaneous	<u>88</u>
Total operating revenues	122,599
Operating expenses:	
Salaries and payroll taxes	32,358
Water installations	4,812
Repairs and maintenance	8,621
Depreciation	40,224
Management fees	5,154
Insurance	12,891
Freight	1,454
Office supplies	3,180
Telephone and utilities	2,232
Vehicle	2,642
Professional fees	4,150
Chemicals	12,047
Tools and supplies	3,154
Deeds and subscriptions	1,211
Licenses and permits	98
Miscellaneous	<u>983</u>
Total operating expenses	140,083
Operating loss	<u>(17,484)</u>
Nonoperating revenues:	
Interest	\$ <u>2,958</u>
Loss before contributions	(14,526)
Capital contributions	<u>971,763</u>
Change in net assets	957,237
Net assets, beginning	<u>0</u>
Net assets, ending	\$ <u>957,237</u>

The accompanying notes are an integral part of this statement.

RICAN ISLAND WATERWORKS DISTRICT NO. 3 OF VERMILION PARISH, LOUISIANA

Statement of Cash Flows
Fifteen Months Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 118,498
Payments to suppliers for goods and services	(58,089)
Payments to employees	(12,103)
Net cash provided by operating activities	<u>48,307</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net cash collected from water deposits	<u>650</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	<u>(13,818)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital contributions	26,028
Proceeds from investment maturities	22,301
Purchase of investments	(15,815)
Investment income	2,958
Net cash provided by investing activities	<u>35,472</u>
Net increase in cash and cash equivalents	83,447
Cash and restricted cash - October 1, 2003	\$ 4,647
Cash and restricted cash - December 31, 2003	<u>\$ 88,094</u>
Reconciliation of loss from operations to net cash provided by operating activities:	
Operating loss	\$ (17,466)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	41,215
Increase in accounts receivable	(1,100)
Increase in accrued expenses	1,491
Increase in payroll liabilities	47
Total adjustments	<u>40,653</u>
Net cash provided by operating activities	<u>\$ 23,187</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
The District received non-cash equivalent net assets from Waterworks District No. 1 of the Parish of Vermilion, State of Louisiana	District <u>\$ 940,100</u>
Reconciliation of total cash:	
Current assets - cash	\$ 41,534
Restricted assets - cash	<u>46,560</u>
	<u>\$ 88,094</u>

The accompanying notes are an integral part of this statement.

PECAN ISLAND WATERWORKS DISTRICT NO. 3 OF VERMILION PARISH, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to an ordinance adopted by the Vermilion Parish Police Jury, the Pecan Island Waterworks District No. 3 of Vermilion Parish, Louisiana (the District) was created effective October 1, 2003 to provide water services to the customers of the former Pecan Island Water System of the Vermilion Parish Waterworks District No. 1 of the Parish of Vermilion, State of Louisiana. The District is an integral part of the Vermilion Parish Police Jury for financial reporting purposes. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Financial Reporting Entity

For financial reporting purposes in conformity with Governmental Accounting Standards Board Statement No. 14, the District is a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only as to the transactions of the District and are not intended to present fairly the financial position and results of operations of the Vermilion Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

Fund Accounting

The accounts of the District are organized and operated on a fund basis whereby a separate self-balancing set of accounts that comprise its assets, liabilities, net assets, revenues and expenses is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or regulations. The District is presented in the accompanying financial statements as follows:

PROPRIETARY FUND -

The focus of proprietary fund management is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the District is water usage fees. The operating cost of the proprietary fund is all costs associated with the operation of the water and sewer distribution system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

PLACAM INLAND WATERWORKS DISTRICT NO. 2 OF VERMILION PARISH, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with Statement No. 26 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," it is the District's policy to apply all applicable GASB pronouncements as well as all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued prior to December 1, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The District has not adopted any Financial Accounting Standards Board Statements or Interpretations, Accounting Principles Board Opinions or Accounting Research Bulletins of the Committee on Accounting Procedure issued after November 30, 1989.

Capital Assets

All capital assets of the proprietary fund purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. The costs of maintenance and repairs are charged to income as incurred; significant renewals and betterments are capitalized. Reductions are made for retirements resulting from renewals or betterments. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 - 40 years
Improvements other than buildings	25 years
Equipment	5 years

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against operations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Investments

Louisiana statutes permit the District to invest in obligations of the U. S. Government and agencies of the U. S. Government, which are federally sponsored, and certificates of deposit of state banks and national banks having their principal office in the State of Louisiana, and the state sponsored investment pool.

PEARL ISLAND WATERWORKS DISTRICT NO. 3 OF VERMILION PARISH, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bad Debt

The District charges any uncollectible accounts directly to current operations. All accounts as December 31, 2003 are considered to be collectible.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Any liability the District might have in this regard as December 31, 2003 is considered immaterial; therefore, no liability has been recorded in the accounts.

NOTE 2 CASH AND INVESTMENTS

The carrying value of the District's cash deposits, including certificates of deposit, with financial institutions as December 31, 2003 totaled \$112,979 and the bank balance was \$114,500. Cash and investments are stated at cost, which approximates market. Under state law these deposits 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. During the fifteen months ended December 31, 2003, the District's deposits were fully secured by the federal deposit insurance corporation.

NOTE 3 RESTRICTED ASSETS

The District's restricted assets consist of the following as December 31, 2003:

Customers' meter deposits:	
Cash	<u>\$ 3,121</u>

NOTE 4 Board of Commissioners

The board of commissioners consists of five members, which have elected not to receive compensation as follows:

PECAN ISLAND WATERWORKS DISTRICT NO. 1 OF VERMILION PARISH, LOUISIANA

Notes to the Financial Statements

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fifteen months ended December 31, 2003 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets:				
Building and improvements	-	154,563	-	154,563
Equipment and furniture	-	15,818	-	15,818
Improvements other than buildings	_____	712,631	_____	712,631
Total capital assets	_____	883,012	_____	883,012
Less accumulated depreciation for:				
Building and improvements	-	(6,489)	-	(6,489)
Equipment and furniture	-	(2,694)	-	(2,694)
Improvements other than buildings	_____	(86,310)	_____	(86,310)
Total accumulated depreciation	_____	(95,493)	_____	(95,493)
Capital assets, net	\$ _____	\$ 883,788	\$ _____	\$ 883,788

During the fifteen months ended December 31, 2003, capital assets with a value of \$877,194 was contributed to the District from the Waterworks District No. 1, of the Parish of Vermilion, State of Louisiana and equipment costing \$13,818 was purchased by the District.

NOTE 4 CAPITAL CONTRIBUTIONS

The assets, liabilities and equity of the Pecan Island Water System, a division of the Waterworks District No. 1 of the Parish of Vermilion, State of Louisiana, were transferred to the District upon creation and reported as capital contributions. The assets, liabilities and equity transferred are noted as follows:

Assets	
Current assets	\$ 102,807
Capital assets, net of accumulated depreciation	875,194
	<u>\$ 978,001</u>
Liabilities and Equity	
Current liabilities	\$ 783
Security deposits payable	8,473
Equity	972,745
	<u>\$ 981,991</u>

PECAN ISLAND WATERWORKS DISTRICT NO. 3 OF VERMILION PARISH, LOUISIANA

Notes to the Financial Statements

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The District is insured up to policy limits for each of the above risks. No claims have been settled in excess of the commercial coverage.

NOTE 8 BOARD OF COMMISSIONERS

The board of commissioners consists of five members, which have elected not to receive compensation as follows:

<i>Victor Connor, Sr.</i>	<i>Chairman</i>
<i>Warren Dale Wirth</i>	<i>Secretary-Treasurer</i>
<i>Angelina Hardin</i>	<i>Vice-Chairperson</i>
<i>Jerry McInerney</i>	<i>Commissioner</i>
<i>Romaine Miller</i>	<i>Commissioner</i>

**SUPPLEMENTAL
INFORMATION**



Membership of Certified Public Accountants

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

**Board of Commissioners
Pocahontas Waterworks District No. 3
of Vermilion Parish, Louisiana
Pocahontas, Louisiana**

We have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed to by the management of Pocahontas Waterworks District No. 3 of Vermilion Parish, Louisiana (District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Pocahontas Waterworks District No. 3's compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying Louisiana Alternative Governmental. 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 Aid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2211 (the public aid law).

The District had no expenditures during the year for materials and supplies exceeding \$15,000 and no expenditures for public works exceeding \$100,000.

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.

Stephen G. Burnett, CPA, Certified CFO
Paula G. Miller, CPA, Registered MS

E. Larry Olson, CPA, CVA, CFPP
Henry F. Prinslow, CPA
Clayton H. Trenchard, CPA, CIA
Stephen G. Burnett, III, CPA
Joseph M. Huggins, CPA
John P. Jordan, CPA
Jennifer S. English, CPA, CFPP
Chris A. Miller, CPA, CIA
Stephen B. Dunbar, MS, CPA
James G. Moore, CPA

Wanda G. Larson, Jr. CPA, CIA

Richard T. Daniel, CPA
Karl G. Lorenz, III, MS, CPA
Thomas T. Lewis, CPA
Kangas D. Higgins, CPA
John Temple DrYVilov, CPA
Barbara A. Calk, CPA
Carole P. Foster, CPA
Michelle B. Babin, CPA
Brenton C. Moore, CPA
Barbara S. Young, CPA
Barbara Ann Moore, CPA
Adam J. Curry, CPA

Board of
Legislative Auditors of
Louisiana
Louisiana State Auditor
Board of Louisiana
Certified Public Accountants

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 (2) were also included on the listing obtained from management in agreed-upon procedure (1) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (2) appeared on the list provided by management in agreed-upon procedure (1).

Budgeting

5. The Local Government Budget Act (LSA-RS 39:1301-14) requires the preparation of a budget for the general and special revenue funds. Obtain a copy of the legally adopted budget and all amendments.

The District engages only in business-type activities accounted for in an enterprise fund and did not adopt a budget for the period ended December 31, 2003.

Accounting and Reporting

6. Randomly select six 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 payments were properly coded to the correct fund and general ledger account.

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

Inspection of documentation supporting each of the six selected disbursements indicated proper approval.

Meetings

7. 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).

The District properly notifies the public of each meeting and the accompanying agenda.

Debt

8. 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 Disburse

9. Examine disbursements and minutes for the year to determine whether any payments have been made which may constitute bonuses, advances, or gifts.

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

This is the initial period of existence of the District which was formed on October 1, 2002, therefore there are no prior year comments or unresolved matters.

We were not engaged in, 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 Pecan Island Waterworks District No. 3 of Vermilion Parish, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and take 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.

Dennard, Sides & Frenkel

A Corporation of Certified Public Accountants

Bossier, Louisiana
June 1, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
3-1-22 (Date Transmitted)

DORRILL SIKES & FREDRICK
P. O. BOX 727
ABBEVILLE, LA 70511

(Auditors)

In connection with your compilation of our financial statements as of (state) 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
3-1-22 (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 42:1116.
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 38:34.
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, 44:21, and 44:36.
Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 38:52, as applicable.
Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 34:013.
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 38:1410.65-1410.68.

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.

	Secretary		Date
<u>Warren Doble Johnson</u>	Treasurer	<u>3-1-84</u>	Date
<u>Vivian J. Connor</u>	President	<u>3-1-84</u>	Date

Note: If the engagement is for a routine compilation/audit that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Pass Approval Form or an Unaudit engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.