

**WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedule**

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.

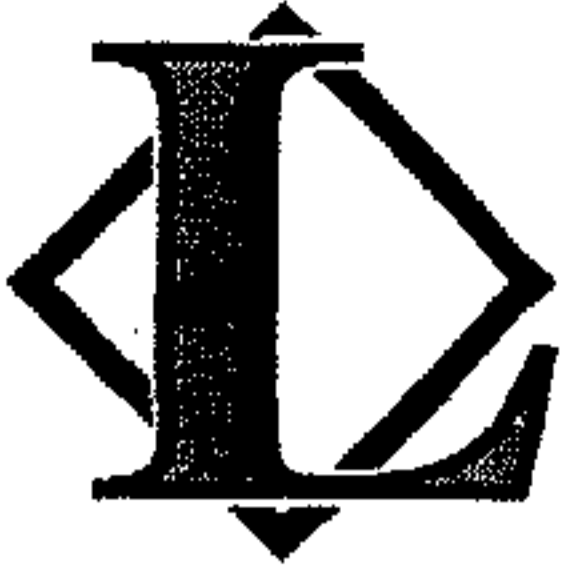
Release Date 8-4-04

WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2003
With Supplemental Information Schedule

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LITTLE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditor's Report

**WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana**

We have audited the general purpose financial statements of Water and Wastewater District No. 1 of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of December 31, 2003, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Water and Wastewater District No. 1's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Water and Wastewater District No. 1 of Cameron Parish as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with U. S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Water and Wastewater District No. 1 of Cameron Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

WATER AND WASTEWATER DISTRICT NO. 1
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Independent Auditor's Report
December 31, 2003

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2004, on our consideration of Water and Wastewater District No. 1 of Cameron Parish's internal control over financial reporting and 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.

Little + Associates

Monroe, Louisiana
April 19, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

WATER AND WASTEWATER DISTRICT NO. 1 OF CAMERON PARISH
Cameron, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Balance Sheet
December 31, 2003

ASSETS

Current assets:

Cash and cash equivalents	\$3,243,411
Receivables	<u>295,609</u>
Total Current Assets	3,539,020
Restricted assets - cash and cash equivalents	6,845
Property, plant and equipment (net of accumulated depreciation)	<u>2,638,776</u>
TOTAL ASSETS	<u><u>\$6,184,641</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities:

Accounts payable	\$36,278
Deferred Revenue	3,089
Payable from restricted assets - customer deposits	<u>6,845</u>
Total Current Liabilities	46,212
Long-term liabilities - compensated absences	<u>27,445</u>
Total Liabilities	<u>73,657</u>

Fund Equity:

Contributed capital (net of amortization water)	161,317
Contributed capital (net of amortization sewer)	1,536,487
Retained earnings - Unreserved	<u>4,413,180</u>
Total Fund Equity	<u>6,110,984</u>

TOTAL LIABILITIES
AND FUND EQUITY

\$6,184,641

The accompanying notes are an integral part of this statement.

WATER AND WASTEWATER DISTRICT NO. 1 OF CAMERON PARISH
Cameron, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 2003

OPERATING REVENUES	
Water sales	\$349,960
Sewer services	216,868
Other	12,003
Total operating revenues	<u>578,831</u>
OPERATING EXPENSES	
Personal services	204,556
Operating services	212,561
Materials and supplies	42,318
Depreciation	110,071
Total operating expenses	<u>569,506</u>
OPERATING INCOME	<u>9,325</u>
NONOPERATING REVENUES (Expenses)	
Federal grant - payments in lieu of taxes	202
Gain on sale of assets	150
Ad valorem tax	194,446
State Revenue Sharing refund and write off	(1,963)
Use of money and property - interest earnings	30,235
Act 125	4,740
Total nonoperating revenues (expenses)	<u>227,810</u>
NET INCOME	237,135
Add depreciation on fixed assets acquired with contributed capital- sewer	51,254
Add depreciation on fixed assets acquired with contributed capital- water	7,592
INCREASE IN RETAINED EARNINGS	295,981
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>4,117,199</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$4,413,180</u></u>

The accompanying notes are an integral part of this statement.

WATER AND WASTEWATER DISTRICT NO. 1 OF CAMERON PARISH
Cameron, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$9,325
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	110,071
Changes in assets and liabilities:	
Increase in receivables	(3,380)
Decrease in accounts payable	(4,493)
Increase in deferred revenue	730
Increase in compensated absences	1,837
Total adjustments	104,765
Net cash provided by operating activities	114,090

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Ad valorem taxes	199,833
Federal grant	202
Act 125	4,740
State Revenue Sharing refunded	(654)
Net cash provided from noncapital financing activities	204,121

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition of fixed assets	(291,746)
Proceeds from sale of fixed assets	150
Net cash used in capital financing activities	(291,596)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	30,235
Net cash provided from investing activities	30,235

Net increase in cash and cash equivalents 56,850

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR **3,186,561**

CASH AND CASH EQUIVALENTS AT END OF YEAR **\$3,243,411**

The accompanying notes are an integral part of this statement.

**WATER AND WASTEWATER DISTRICT NO. 1 OF CAMERON PARISH
Cameron, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Water and Wastewater District No. 1 of Cameron Parish (the District) was created by the Cameron Parish Police Jury, as authorized by Louisiana Revised Statute 33:3811. The District is governed by the Cameron Parish Sewerage and Water Board for District No. 1, as authorized by Act 818 of 1990. The board is comprised of seven members who are appointed by the police jury. The District is responsible for providing water and sewer services to users within the boundaries of the District.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana
Notes to the Financial Statements (Continued)**

Because the police jury appoints all board members of the District and can impose its will on the District, the District was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

Water and Wastewater District No. 1 of Cameron Parish is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

As a proprietary activity, the District applies all applicable pronouncements by the Governmental Accounting Standards Board (GASB), as well as those pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board, and the Committee on Accounting Procedure issued prior to November 30, 1989. The District also applies all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with, or contradict, GASB pronouncements, that are developed for business enterprises.

C. FIXED ASSETS

Fixed assets of the District are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 3 to 10 years for equipment, 25 years for buildings, and 40 years for the waterworks and wastewater systems.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned. Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes are generally collected in December of the current

WATER AND WASTEWATER DISTRICT NO. 1
 OF CAMERON PARISH
 Cameron, Louisiana
 Notes to the Financial Statements (Continued)

year and January and February of the ensuing year. Water service and sewer service charges are levied as of the twenty-fifth day of each month, and billings are distributed to customers before the last day of each month. Amounts for unbilled services from the twenty-sixth day of the month through the end of December are considered immaterial and are not included in the accompanying financial statements. Expenses are recognized when incurred.

E. CASH AND CASH EQUIVALENTS

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 state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2003, the District had cash and cash equivalents (book balances) totaling \$3,250,256 as follows:

Petty cash	\$164
Demand deposits	157,588
Money market accounts	10,801
Time deposits	<u>3,081,703</u>
Total	<u>\$3,250,256</u>

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. Bank balances at December 31, 2003, are secured as follows:

Bank Balances	<u>\$3,257,416</u>
Federal deposit insurance	\$300,000
Pledged securities (uncollateralized)	<u>3,778,348</u>
Total	<u>\$4,078,348</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the District, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of notification by the District of the fiscal agent's failure to pay deposited funds on demand.

For the purposes of the Statements of Cash Flows, cash and cash equivalents includes all demand

**WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana
Notes to the Financial Statements (Continued)**

accounts and unrestricted, highly liquid investments (certificates of deposit and money market accounts) with a maturity date of three months or less when purchased.

The District eliminated the requirement for customer utility deposits during 1997. At that time active customers' deposits with the District totaled \$6,845, the amount of restricted cash and cash equivalents represented in the balance sheet.

F. COMPENSATED ABSENCES

Employees may accumulate from 5 to 25 days of vacation leave each year, depending on their length of service with the District. Vacation leave can be accumulated without limitation. Upon resignation or retirement, unused vacation leave is paid to the employee at the employee's current rate of pay. Employees may accumulate 12 to 18 days of sick leave each year, depending on their length of service. Sick leave may be accumulated without limitation. Any unused sick leave is forfeited by the employee at time of resignation. Upon retirement, unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with the GASB Codification Section C60, is recorded as a long-term liability on the balance sheet of the Enterprise Fund. The cost of leave privileges, computed in accordance with the preceding codification, is recognized as a current year expense of the Enterprise Fund when leave is earned.

G. RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the District maintains commercial insurance policies covering; automobile liability; surety bond coverage; and property and flood insurance. In addition to the above policies, the District maintains a general liability policy and an errors and omissions policy. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

To cover its risk associated with injuries to employees, the district participates in the police jury's self-insurance program, whereby up to \$225,000 per occurrence is self-insured. Claims over and above this amount are insured through insurance coverage.

2. LEVIED TAXES

The district has an authorized tax millage of 7.00 mills, equal to the levied millage, which is restricted, by tax proposition, to operation and maintenance of the water and sewer systems. The tax is

WATER AND WASTEWATER DISTRICT NO. 1
 OF CAMERON PARISH
 Cameron, Louisiana
 Notes to the Financial Statements (Continued)

due to expire with the 2008 tax roll.

The following are the principal taxpayers for the parish and their 2003 assessed valuation (amounts expressed in thousands):

	2003 Assessed Valuation	Percent of Total Assessed Valuation
Omega Protein, Inc.	\$2,932	1.91%
Alpha Marine Services LLC	2,332	1.52%
Seabulk Offshore Ltd.	1,902	1.24%
Cameron Telephone Company	1,678	1.09%
Trico Marine Assets Inc.	1,565	1.02%
Tenneco Inc.	1,311	0.85%
Ambar Drilling Fluids LP LLP	1,225	0.80%
Baroid Drilling Fluids Inc.	1,195	0.78%
Aries Marine Corp.	871	0.57%
Hibernia National Bank	<u>824</u>	<u>0.54%</u>
 Total	 <u>\$15,835</u>	 <u>10.31%</u>

3. RECEIVABLES

At December 31, 2003, the District has receivables of \$295,609, as follows:

Water sales	\$67,337
Sewer services	13,715
Ad valorem taxes	<u>214,557</u>
 Total	 <u>\$295,609</u>

4. FIXED ASSETS

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Land	\$42,000		\$42,000
Buildings and equipment	70,697	\$47,471	23,226

WATER AND WASTEWATER DISTRICT NO. 1
 OF CAMERON PARISH
 Cameron, Louisiana
 Notes to the Financial Statements (Continued)

Improvements	3,661,314	1,344,685	2,316,629
Total Sewer	<u>\$3,774,011</u>	<u>\$1,392,156</u>	<u>\$2,381,855</u>
Land	\$9,950		\$9,950
Buildings and equipment	128,206	\$94,470	33,736
Water system, tanks and wells	<u>1,146,684</u>	<u>933,449</u>	<u>213,235</u>
Total Water	<u>\$1,284,840</u>	<u>\$1,027,919</u>	<u>\$256,921</u>
Total District Fixed Assets	<u>\$5,058,851</u>	<u>\$2,420,075</u>	<u>\$2,638,776</u>

5. PENSION PLAN

Substantially all employees of the Water and Wastewater district are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the

**WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana
Notes to the Financial Statements (Continued)**

District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001 were \$11,184, \$11,156, and \$11,954, respectively, equal to the required contributions for each year.

6. CONTRIBUTED CAPITAL

The District received grants of \$349,288 from the State of Louisiana in past years for construction of the water system and \$3,756 from the Cameron Parish Police Jury for equipment. Amortization of contributed capital is based on the depreciation recognized on assets acquired with the contributions. The contributed capital is amortized over the life of the associated fixed assets. At December 31, 2003, accumulated amortization is \$191,728.

The District received grants of \$1,307,572 from the United States Environmental Protection Agency, \$236,000 from the Farmers Home Administration and \$1,013,998 from the Cameron Parish Police Jury over various years for construction of the sewerage system. The contributed capital is being amortized over the 50-year life of the fixed assets acquired with the contributions. At December 31, 2003, accumulated amortization is \$1,021,083.

7. LITIGATION AND CLAIMS

The District is not involved in any lawsuits, nor is it aware of any other contingency losses or pending claims.

8. CONSOLIDATION OF DISTRICTS

During the year ended December 31, 2002, the Board of Commissioners received approval from the Cameron Parish Police Jury and the Louisiana Legislature to consolidate Sewerage District No. 1 of Cameron Parish with Waterworks District No. 1 of Cameron Parish. In July 2002, the voters of the District approved the consolidation and the combining of the tax levies. On January 1, 2003, these districts were combined to create Water and Wastewater District No. 1 of Cameron Parish.

SUPPLEMENTAL INFORMATION SCHEDULE

WATER AND WASTEWATER DISTRICT NO. 1 OF CAMERON PARISH
Cameron, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2003

PER DIEM PAID COMMISSIONERS

The schedule of per diem paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statutes 33:3819 and 33:4067, Waterworks District No. 1 of Cameron Parish commissioners received \$60 for each meeting attended. Act 818 of 1990 (Louisiana Revised Statute 33:4067) created the Cameron Parish Sewerage and Water Board for District No. 1 as the governing authority of Cameron Parish Sewerage District No. 1 and Cameron Parish Waterworks District No. 1. The Districts were consolidated into Water and Wastewater District No. 1 of Cameron Parish on January 1, 2003.

Schedule 1

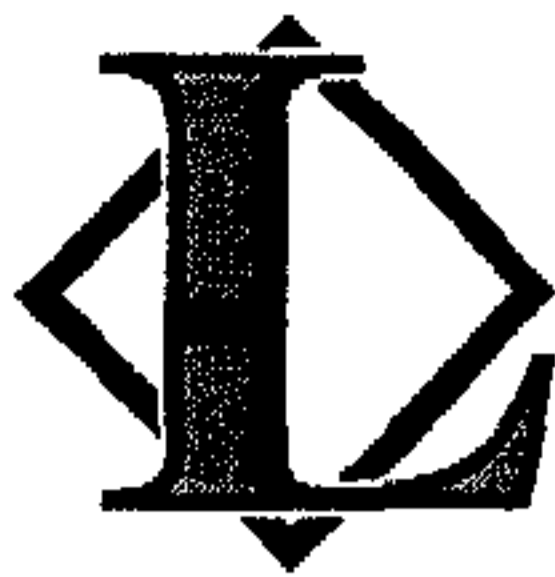
WATER AND WASTEWATER DISTRICT NO. 1 OF CAMERON PARISH
Cameron, Louisiana

Schedule of Per Diem Paid Commissioners
For the Year Ended December 31, 2003

	<u>Amount</u>
J. C. Murphy	\$660
Vergy Hebert	600
Ronald January	360
Paul Duhon	660
Chris Hebert	420
Bobbie Doxey	540
Tammy Peshoff	<u>540</u>
Total	<u><u>\$3,780</u></u>

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditor's Report on Compliance and on
Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

**WATER AND WASTEWATER DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana**

We have audited the general purpose financial statements of Water and Wastewater District No. 1 of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 19, 2004. We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Water and Wastewater District No. 1 of Cameron Parish'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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Water and Wastewater District No. 1 of Cameron Parish'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

WATER AND Wastewater DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2003

This report is intended solely for the information and use of the members of the Water and Wastewater District No. 1 of Cameron Parish, management of the District, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little & Associates

Monroe, Louisiana
April 19, 2004

WATER AND Wastewater DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Water and Wastewater District No. 1 of Cameron Parish.
2. No instances of noncompliance material to the financial statements of Water and Wastewater District No. 1 of Cameron Parish were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**WATER AND Wastewater DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2003**

There were no audit findings reported in the audit for the year ended December 31, 2002.