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GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2005

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 11/9/05

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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

ERIC J. VICKNAIR, CPA (APC)

GLYNN R. DYER, CPA (APC), (RETIRED)

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Gas Utility District No. 1
West Feliciana Parish
St. Francisville, Louisiana

We have audited the accompanying basic financial statements of

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

a component unit of West Feliciana Parish Police Jury, St. Francisville, Louisiana, as of and for the year ended April 30, 2005, as listed in the table of contents. These financial statements are the responsibility of Gas Utility District No. 1, West Feliciana Parish, St. Francisville, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Gas Utility District No. 1, West Feliciana Parish, St. Francisville, Louisiana as of April 30, 2005, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board's Statement No. 34 *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments*, as of May 1, 2004. This results in a change in the format and content of the basic financial statements.

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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information referred to as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Gas Utility District No. 1, West Feliciana Parish, St. Francisville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The Gas Utility District No. 1, West Feliciana Parish, St. Francisville, Louisiana has not presented Managements' Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated September 6, 2005 on our consideration of Gas Utility District No. 1, West Feliciana Parish, St. Francisville, Louisiana's internal control over financial reporting and test of its compliance with certain provisions of laws and regulations. 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.

September 6, 2005
St. Francisville, Louisiana

Dyer & Vicknair

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
BALANCE SHEET
APRIL 30, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalent	\$ 431,498
Investment	501,603
Receivables	
Accounts	<u>245,408</u>
<u>Total current assets</u>	<u>1,178,509</u>

NONCURRENT ASSETS

Capital assets, net	<u>841,347</u>
<u>Total assets</u>	<u>2,019,856</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 234,349
Customers' security deposit	<u>2,100</u>
<u>Total current liabilities</u>	<u>236,449</u>

NONCURRENT LIABILITIES

Compensated absences	<u>29,649</u>
<u>Total liabilities</u>	<u>266,098</u>

NET ASSETS

Invested in capital assets, net of related debt	841,347
Unrestricted	<u>912,411</u>
<u>Total net assets</u>	<u>1,753,758</u>

The accompanying notes are an integral part of this statement.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED APRIL 30, 2005

<u>OPERATING REVENUES</u>	
Charges for services	\$ <u>3,175,794</u>
<u>OPERATING EXPENSES</u>	
Depreciation	51,075
All other	<u>2,983,361</u>
<u>Total operating expenses</u>	<u>3,034,436</u>
<u>Operating income</u>	<u>141,358</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest income	9,387
Miscellaneous income	1,336
Uncollectible accounts	<u>(3,816)</u>
<u>Total nonoperating revenues</u>	<u>6,907</u>
<u>Income before other revenues, expenses,</u>	
<u>gains, losses, and transfers</u>	148,265
<u>CAPITAL CONTRIBUTIONS</u>	
State of Louisiana	<u>54,831</u>
<u>Increase in net assets</u>	203,096
<u>NET ASSETS, beginning of year</u>	<u>1,550,662</u>
<u>NET ASSETS, end of year</u>	<u><u>1,753,758</u></u>

The accompanying notes are an integral part of this statement.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2005

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>\$ 3,161,307</u>
Receipts from customers	(2,882,026)
Payments to suppliers	<u>(112,148)</u>
Payments to employees	
<u>Net cash provided by operating activities</u>	<u>167,133</u>
 <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Miscellaneous revenue	<u>1,336</u>
 <u>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</u>	
Aquisition and construction of capital assets	(110,871)
Capital contributions	<u>76,918</u>
<u>Net cash (used) by capital and financing activities</u>	<u>(33,953)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Sale (purchase) of investments	(8,444)
Interest earned on investments	<u>9,387</u>
<u>Net cash provided by investing activities</u>	<u>943</u>
 <u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>135,459</u>
 <u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>296,039</u>
 <u>CASH AND CASH EQUIVALENTS, end of year</u>	<u><u>431,498</u></u>

(Continued)

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2005
(Continued)

RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED (USED) BY OPERATING
ACTIVITIES

Operating income	\$ 141,358
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	51,075
Uncollectible accounts	(3,816)
Changes in assets and liabilities:	
Receivables - customers	(14,487)
Accounts payable	67,032
Contracts payable	(47,751)
Retainage payable	(16,836)
Compensated absences payable	<u>(9,442)</u>
<u>Net cash provided by operating activities</u>	<u>167,133</u>

The accompanying notes are an integral part of this statement.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

INTRODUCTION

Gas Utility District No. 1 (the District), West Feliciana Parish, St. Francisville, Louisiana was created by the West Feliciana Parish Police Jury under Louisiana Revised Statutes 33:4301-4308. The District is governed by eleven commissioners. These eleven members are referred to as the Board of Commissioners. Nine commissioners are appointed by the parish governing authority, one commissioner is appointed by the Department of Public Safety and Corrections, and one commissioner is appointed by the Department of Health and Hospitals. The District was created to provide natural gas resources to residents within the District.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of Gas Utility District No. 1, West Feliciana Parish, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the West Feliciana Parish Police Jury is the financial reporting entity for West Feliciana Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organization for which the primary government is financially accountable, and (c) other organizations for which 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 No. 14 established criteria for determining which component units should be considered part of West Feliciana 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. These criteria include:

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005
(Continued)

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 of significance of the relationship.

Because the police jury meets criteria (1) above, Gas Utility District No. 1, West Feliciana Parish, St. Francisville, Louisiana is determined to be a component unit of West Feliciana Parish Police Jury, financial reporting entity. The accompanying financial statements present information only on the funds maintained by Gas Utility District No. 1 and do not present information on the Police Jury, the general government services provided by the Police Jury, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District 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 private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. Measurement Focus / Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The enterprise fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005
(Continued)

E. Proprietary Activity Accounting

Activities of the District are recognized in conjunction with all pronouncements of the Financial Accounting Standards Board (FASB), unless those pronouncements conflict with or contradict GASB pronouncements.

F. Budgets and Budgetary Accounting

A budget is not required by state law and, therefore, is not prepared.

G. Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. For purposes of the statement of cash flows, the District considers all time deposits (including restricted assets) with a maturity of ninety days or less to be cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under Louisiana Revised Statute 33:2955, the District may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.

Investments are stated at cost which approximate market value.

H. Receivables

The direct charge-off method for bad debts is used; therefore, there is no allowance for doubtful accounts as no material write-offs are expected for receivables at the balance sheet date.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005
(Continued)

All amounts known to be uncollectible have been charged off.

Substantially all amounts presented are expected to be collected within one year.

I. Capital Assets

Capital assets are included on the statement of net assets at actual historical cost. Depreciation of property and equipment is charged as an expense against operations. Depreciation is computed using the straight-line method over an estimated useful life of 33 years for the distribution system, 7 years for equipment, and 5 years for vehicles.

J. Compensated Absences

Vested or accumulated vacation leave is recorded as a fund liability and operating expense in the year earned.

In accordance with the provisions of Statement of Financial Standard No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits nor vacation leave.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the state of the financial statements and the reported amount of revenue and expense during the reported period actual results could differ from those estimates.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005
(Continued)

Note #2: CHANGE IN ACCOUNTING PRINCIPLES

For the year ended April 30, 2005, the District has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB creates new basic financial statements for reporting on the District's financial activities. The financial statements include business - type activities for the government - wide financial statements prepared on the accrual basis of accounting.

Note #3: CASH AND CASH EQUIVALENTS

At April 30, 2005, the carrying amount of deposits is \$ 431,498. This total is comprised of interest-bearing demand deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At April 30, 2005, the bank balance of the deposits is \$ 431,810.

Custodial risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. At June 30, 2005, \$331,810 of the bank balances were exposed to custodial risk.

Note #4: INVESTMENT

Investment at April 30, 2005, is comprised of Louisiana Asset Management Pool, Inc. (LAMP), which invests in United States government securities, and carry the explicit guarantee of the U.S. government.

The investment's cost and market value at April 30, 2005 is \$ 501,603.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2004
 (Continued)

Note #5: CAPITAL ASSETS

A summary of capital assets at April 30, 2005 follows:

	<u>05-01-04</u>			<u>04-30-05</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Capital assets not being depreciated:				
Land		\$ 7,500		\$ 7,500
Construction in progress	\$ <u>452,830</u>	<u>66,971</u>	\$ <u>254,309</u>	<u>265,492</u>
Total assets not being depreciated:	<u>452,830</u>	<u>74,471</u>	<u>254,309</u>	<u>272,992</u>
Other capital assets				
Distribution system	1,746,703	254,309		2,001,012
Equipment	71,795	4,345		76,140
Vehicles	<u>16,901</u>	<u>32,055</u>		<u>48,956</u>
<u>Total other capital assets</u>	<u>1,835,399</u>	<u>290,709</u>		<u>2,126,108</u>
Less accumulated depreciation for:				
Distribution system	1,485,340	31,293		1,516,633
Equipment	10,218	9,986		20,204
Vehicles	<u>11,120</u>	<u>9,796</u>		<u>20,916</u>
<u>Total accumulated depreciation</u>	<u>1,506,678</u>	<u>51,075</u>		<u>1,557,753</u>
<u>Other capital assets, net</u>	<u>328,721</u>	<u>239,634</u>		<u>568,355</u>
<u>Total capital assets</u>	<u>781,551</u>	<u>314,105</u>	<u>254,309</u>	<u>841,347</u>

Depreciation expense charged to operations in 2005 is \$51,075 for the year.

Note #6: RETIREMENT COMMITMENTS

All employees of the Gas District have the opportunity to belong to the Parochial Employees' Retirement System of Louisiana (System) a multiple employee, cost-sharing, public employee retirement system, controlled and 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.

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2004
(Continued)

During the year, no employees belonged to the System.

All employees of the Gas District are members of the Social Security System.

Note #7: RELATED PARTY TRANSACTIONS

During the year, the Gas District sold \$ 37,757 of natural gas to West Feliciana Parish Police Jury.

Note #8: COMPENSATED ABSENCES

At April 30, 2005, employees of the District have accumulated and vested \$ 29,649 of employee leave benefits, which was computed in accordance with GASB Codification C60.

Note #9: MAJOR CUSTOMERS

The Gas District provides natural gas to the East Louisiana State Hospital and the Louisiana State Penitentiary.

During the year, gas sold to the East Louisiana State Hospital and the Louisiana State Penitentiary was \$ 1,026,865 and \$ 1,904,803, respectively, which represents 32% and 60%, respectively, of the total gas sold.

Note #10: BOARD OF COMMISSIONERS' COMPENSATION

The Board of Commissioners are paid a per diem of \$50 for attending a board meeting.

The total amount of per diem for the year was \$ 6,750.

Note #11: OTHER MATTER

Funds have been obligated by U.S. Department of Agricultural Rural Development for a loan of \$ 2,790,000 at 4.5 percent for a gas system renovation program.

SUPPLEMENTAL INFORMATION

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED APRIL 30, 2005

Gas purchased	\$ 2,619,724
Salaries	137,183
Professional services	91,284
Depreciation	51,075
Insurance	38,415
Repairs and maintenance	37,277
Payroll taxes	11,621
Truck operation	10,568
Commissioners' per diem and mileage	7,617
Office supplies and postage	7,220
Telephone	4,706
Utilities	3,315
Rent	3,000
Computer billing services	1,564
Uniforms	1,311
Travel	1,138
DOTTIE system	725
Taxes - other	255
All other	<u>6,438</u>
<u>Total</u>	<u>3,034,436</u>

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF HISTORICAL DATA
APRIL 30, 2005
(Unaudited)

	YEAR	
	2005	2004
<u>REVENUES AND EXPENSES</u>		
Operating revenues	\$ 3,175,794	\$ 2,816,495
Operating expenses	3,034,436	2,591,930
<u>Operating income (loss)</u>	141,358	224,565
<u>GAS PURCHASED</u>	\$ 2,619,724	\$ 2,266,847
<u>CAPITAL ASSETS</u>		
Gas distribution system	\$ 2,001,012	\$ 1,746,703
Construction in progress	265,492	452,830
Vehicles	48,956	16,901
Equipment and furniture	76,140	71,795
Land	7,500	
<u>Total capital assets</u>	2,399,100	2,288,229
<u>AVERAGE NUMBER OF CUSTOMERS</u>	284	280
<u>COST OF GAS PURCHASED</u>		
<u>MONTH</u>	<u>PER</u>	
	<u>MCF</u>	
May, 2004	6.62	
June, 2004	7.49	
July, 2004	6.92	
August, 2004	6.81	
September, 2004	5.95	
October, 2004	7.13	
November, 2004	7.61	
December, 2004	8.40	
January, 2005	8.01	
February, 2005	7.26	
March, 2005	6.94	
April, 2005	8.51	

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF BOARD OF COMMISSIONERS' COMPENSATION
YEAR ENDED APRIL 30, 2005

Mr. Kevin Beauchamp	\$ 800
Mr. David Honeycutt	700
Ms. Bess Kelley	650
Mr. Joseph Kowalczyk	700
Mr. Anthony Long	800
Mr. Dennis Neal	750
Mr. Terry Osterberger	750
Mr. Will Plettinger	350
Mr. Glen Thomas	350
Mr. Edward Sharper	650
Mr. William Wade	<u>250</u>
<u>Total</u>	<u><u>6,750</u></u>

INDEPENDENT AUDITOR'S REPORT AND OTHER SCHEDULES
REQUIRED BY GOVERNMENT AUDITING STANDARDS

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

ERIC J. VICKNAIR, CPA (APC)

GLYNN R. DYER, CPA (APC), (RETIRED)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASD ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
Gas Utility District No. 1
West Feliciana Parish
St. Francisville, Louisiana

We have audited the financial statements of Gas Utility District No. 1, St. Francisville, Louisiana, for the year ended April 30, 2005, and have issued our report thereon dated September 6, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Gas Utility District No. 1, St. Francisville, Louisiana's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Gas Utility District No. 1, St. Francisville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting.

(SEND ALL CORRESPONDENCE TO THE BATON ROUGE ADDRESS)

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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

There were no comments related to compliance or internal control noted in the audit for the year ended April 30, 2004.

This report is intended for the use of management and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. By provision of state law, this report is a public document and it has been distributed to appropriate public officials.

St. Francisville, Louisiana
September 6, 2005

Dyer & Vicknair

GAS UTILITY DISTRICT NO. 1
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF AUDIT FINDINGS
YEAR ENDED APRIL 30, 2005

The auditors' report expresses an unqualified opinion on the basic financial statements of the Gas Utility District No. 1, of West Feliciana Parish, State of Louisiana.

There were no reportable conditions in internal control disclosed during the audit of the basic financial statements which were required to be reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.

The results of our tests disclosed no instances of noncompliance material to the basic financial statements which were required to be reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.