

**LAKE BRUN WATERWORKS DISTRICT NO. 1**  
**St. Joseph, Louisiana**

*Annual Financial Statements*

*As of and for the Year Ended*  
*December 31, 2002*

LAKE BRUN WATERWORKS DISTRICT NO. 1

St. Joseph, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2002

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*M. Carlton Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

149 EDENGLADE ROAD • CALIBOUX, LOUISIANA 71225 • TELEPHONE 318/854-3726

**Accountant's Compilation Report**

**BOARD OF COMMISSIONERS  
LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana**

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of Lake Brun Waterworks District No. 1 as of December 31, 2002, and for the year then ended, in accordance with standards established by *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 and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

As described in Note 1 to the basic financial statements, Lake Brun Waterworks District No. 1 adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2002. This results in a change in the format and content of the basic financial statements for the year ended December 31, 2002.

Management has elected to omit Management's Discussion and Analysis which is supplemental information required by GASB. If the omitted information were included in the financial statements, they might influence the user's conclusions about the district's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated April 22, 2003, on the results of my agreed-upon procedures.

  
M. Carlton Dumas  
Caliboux, Louisiana  
April 22, 2003

## BASIC FINANCIAL STATEMENTS

LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana

STATEMENT OF NET ASSETS  
December 31, 2001

**ASSETS**

## Current assets:

Cash	\$41,044
Investments	43,593
Accounts receivable - water sales (net)	<u>7,188</u>
Total current assets	<u>\$91,825</u>

## Noncurrent assets:

Restricted cash	70,666
Property, plant and equipment (net of accumulated depreciation)	<u>121,126</u>
Total noncurrent assets	<u>191,832</u>
Total assets	<u>\$283,657</u>

**LIABILITIES**

## Current liabilities:

Accounts payable	5,344
Sales taxes payable	311
Accrued interest payable	695
Current portion of long-term debt	12,805
Customer deposits	<u>26,349</u>
Total current liabilities	<u>45,622</u>

## Noncurrent liabilities:

Long-term debt - revenue bonds payable	<u>187,135</u>
Total liabilities	<u>232,757</u>

**NET ASSETS**

Invested in capital assets, net of related debt	(59,401)
Restricted for debt service	70,666
Unrestricted	<u>\$2,547</u>
Total net assets (deficit)	<u>\$13,712</u>

See accompanying notes and accountant's compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS  
For the Year Ended December 31, 2002

<b>OPERATING REVENUES</b>	
Water sales	598,278
Other fees and charges	2,513
Total revenues	<u>600,791</u>
<b>OPERATING EXPENSES</b>	
Bookkeeping services	16,708
Labor	604
Supplies	2,968
Office expense	287
Utilities and telephone	2,314
Insurance	5,455
Management and maintenance fees	7,245
Audit expense	157
Postage	1,008
Repairs	340
Depreciation	22,006
Water purchases	38,437
Other operating expenses	1,365
Total operating expenses	<u>97,713</u>
<b>OPERATING INCOME</b>	<u>2,078</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	1,582
Interest expense	(8,145)
Total non-operating revenues (expenses)	<u>(2,643)</u>
Change in net assets before cumulative effect of change in accounting principle	(5,565)
Cumulative effect on prior years of changing the estimated useful lives of capital assets	<u>(182,309)</u>
Change in net assets	(187,874)
<b>NET ASSETS - BEGINNING</b>	<u>268,486</u>
<b>NET ASSETS - ENDING</b>	<u>370,612</u>

See accompanying notes and accountant's compilation report.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2002

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$405,007
Payments to suppliers	<u>(25,286)</u>
Net cash provided by operating activities	<u>379,721</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on capital debt	(7,000)
Interest paid on capital debt	(8,450)
Increase in restricted cash	<u>(5,290)</u>
Net cash used by capital and related financing activities	<u>(20,740)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	1,502
Increase in investments	<u>(1,042)</u>
Net cash provided by investing activities	<u>460</u>
<b>NET INCREASE IN CASH</b>	<b>8,741</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b><u>22,203</u></b>
<b>CASH AT END OF YEAR</b>	<b><u>\$31,044</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	<u>\$2,078</u>
Adjustments:	
Depreciation	22,016
Decrease in accounts receivable	2,313
Increase in accounts payable	1,900
Increase in taxes payable	<u>2</u>
Total adjustments	<u>27,241</u>
Net cash provided by operating activities	<u>\$29,321</u>

See accountant's compilation report and accompanying notes.

LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2002

## INTRODUCTION

Lake Bruin Waterworks District No. 1 was created by the Tensas Parish Police Jury as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a five member board appointed by the police jury who serve without benefit of compensation. The district serves approximately 268 customers and has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Lake Bruin Waterworks District No. 1 is considered a component unit of the Tensas Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into these financial statements or separately reported as a discrete component unit.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- (1) Management's discussion and analysis (MD&A)
- (2) Statement of net assets
- (3) Statement of revenues, expenses, and changes in net assets
- (4) Statement of cash flows
- (5) Notes to the financial statements
- (6) RSI other than MD&A, if applicable

The Lake Bruin Waterworks District No. 1 is a special-purpose government engaged only in business-type activities.

See accountant's compilation report.



**LAKE BRUN WATERWORKS DISTRICT NO. 1**  
**Notes to the Financial Statements**

**B. Measurement Focus, Basis of Accounting, and  
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. Lake Brun Waterworks District No. 1 has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of Lake Brun Waterworks District No. 1 are water sales and other miscellaneous fees and charges. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Deposits and Investments**

Cash includes amounts in interest-bearing and non-interest bearing demand deposits. State law allows the district to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2003, the district's investments consist of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

**D. Receivables**

Receivables for water sales are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts.

*See accountant's compilation report.*

**LAKE MINN WATERWORKS DISTRICT NO. 1**  
**Notes to the Financial Statements**

The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

**E. Restricted Assets**

Certain resources set aside for the repayment of revenue bonds are classified as restricted assets on the balance sheet because their use is limited by the debt agreements.

**F. Capital Assets**

Capital assets, which include land, water systems and improvements, and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The Lake Minn Waterworks District No. 1 maintains a threshold level of \$250 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 the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Water systems and improvements	35 years
Equipment	10 years

**G. Long-term Obligations**

Long-term debt such as revenue bonds payable are reported as liabilities in the statement of net assets.

**H. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

See accountant's compilation report.

**LAKE BRINN WATERWORKS DISTRICT NO. 1**  
**Notes to the Financial Statements**

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2002, the district has cash and investments (bank balances) as follows:

Non-interest bearing checking accounts	\$41,044
Interest bearing savings accounts	70,666
Investments - certificates of deposit	<u>43,993</u>
Total	<u>\$155,663</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. 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 December 31, 2002, the Lake Brinn Waterworks District No. 1 has \$155,663 in deposits (collected bank balances). These deposits are secured from risk by \$141,044 of federal deposit insurance and \$103,238 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 bank has failed to pay deposited funds upon demand.

**3. ACCOUNTS RECEIVABLE**

At December 31, 2002, the district has net receivables of \$7,368 as follows:

Water sales	\$7,368
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$7,368</u>

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2002, is as follows:

See accountant's compilation report.

LAKE BRINN WATERWORKS DISTRICT NO. 1  
Notes to the Financial Statements

	Balance at January 1, 2002	Increase	Decrease	Balance at December 31, 2002
Capital assets not being depreciated:				
Land	\$5,500	NONE	NONE	\$5,500
Capital assets being depreciated:				
Water system and improvements	\$575,094			\$575,094
Equipment	28,395			28,395
Total capital assets being depreciated	603,489	NONE	NONE	603,489
Less accumulated depreciation for:				
Water system and improvements	441,159	\$20,172		461,331
Equipment	24,684	1,844		26,528
Total accumulated depreciation	465,843	22,016	NONE	487,859
Total assets being depreciated, net	137,646	(22,016)	NONE	\$115,630

Depreciation expense of \$22,016 for the year ended December 31, 2002 was reported in the statement of revenues, expenses, and changes in net assets.

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt (revenue bonds payable) transactions for the year ended December 31, 2002:

Revenue bonds payable at January 1, 2002	\$187,536
Additions	NONE
Reductions	(7,000)
Revenue bonds payable at December 31, 2002	\$180,536

See accountant's compilation report.

**LAKE BRUN WATERWORKS DISTRICT NO. 1**  
**Notes to the Financial Statements**

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2002:

Current portion	\$12,803
Long-term portion	<u>167,733</u>
<b>Total</b>	<b><u>\$180,536</u></b>

All outstanding debt at December 31, 2002, in the amount of \$180,536 are revenue bonds payable with maturities from 2003 until 2018 and interest rates from 3.75% to 5.0%. Loan principal and interest payable in the next fiscal year are \$12,803 and \$8,688, respectively. The individual bonds are as follows:

	<u>\$75,000</u> Bonds	<u>\$250,000</u> Bonds
Original issue date	02/27/67	10/27/78
Interest rate	3.75%	5.00%
Final payment due	1/01/07	10/28/18
Interest to maturity	\$2,027	\$76,800
Principal outstanding	\$18,536	\$162,000
Funding source	Water revenue	Water revenue

The loans are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2003	\$12,803	\$8,688	\$21,491
2004	10,056	8,327	18,383
2005	11,181	7,782	18,963
2006	11,300	7,349	18,649
2007	11,186	6,957	18,143
2008 - 2012	49,000	28,350	77,350
2013 - 2017	60,000	12,900	72,900
2018	14,000	700	14,700
<b>Total</b>	<b><u>\$180,536</u></b>	<b><u>\$78,807</u></b>	<b><u>\$259,343</u></b>

See accountant's compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1  
Notes to the Financial Statements

6. RESTRICTED NET ASSETS

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the long-term revenue bonds discussed in note 3 above, requires the district to establish the following reserve accounts:

- A. A "Revenue Note and Interest Sinking Fund". The district must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. The deposits in the fund are to be used solely for the payment of principal and interest payments on the loans as they become due.
- B. A "Revenue Note Reserve Fund". The district must transfer into this fund, each month, an amount equal to 3% of the amount required to be transferred into the Revenue Note and Interest Sinking Fund for payment of principal and interest due on the October 27, 1978 note. The transfers must continue until there has been accumulated in this fund, an amount equal to the highest combined principal and interest requirements for any future year. The maximum amount of \$2,000 that was required to be set aside for the February 27, 1967 note has been met. The deposits in the fund are to be used solely for the payment of principal and interest in the event sufficient deposits are not available in the Revenue Note and Interest Sinking Fund.
- C. A "Depreciation and Contingency Fund". The district must transfer \$77 into this fund each month in accordance with the loan agreement for the October 27, 1978 note. The maximum amount of \$4,800 that was required to be set aside for the February 27, 1967 note has been met. The deposits in this fund may be used by the district for repairs, replacements and extensions necessary to properly operate the system. The deposits may also be used to pay principal and interest when insufficient amounts are available in either of the above funds.

As December 31, 2002, the district has set aside \$79,666 to meet the reserve requirements. These deposits are reported as restricted cash on the district's statement of net assets.

7. ACCOUNTING CHANGES

Accounting changes made during the year involve a change in accounting estimate due to changing the estimated useful life of the waste system and improvements from 30 years to 25 years. The cumulative

See accountant's compilation report.

LAKE BRUIN WATERWORKS DISTRICT NO. 1

Notes to the Financial Statements

effect on prior years of changing the useful life of these assets is \$191,309 and is reported in the statement of revenues, expenses, and changes in net assets for the year ended December 31, 2002.

**B. RISK MANAGEMENT**

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

**SUPPLEMENTAL INFORMATION SCHEDULES**

See accountant's compilation report.



LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended December 31, 2002

**STATUS OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 1.

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 2.

LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, LouisianaSTATUS OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2002

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action</u>
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There were no prior year findings.

LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, LouisianaCURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 2002

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There are no current year findings.

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

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Affidavit Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

368 DONALDSON ROAD • CALDWAY, LOUISIANA 71223 • TELEPHONE 518/644-5726

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

BOARD OF COMMISSIONERS  
LAKE BRUN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of Lake Bruin Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Lake Bruin Waterworks District No. 1's compliance with certain laws and regulations during the year ended December 31, 2002 included in the accompanying *Louisiana Attention Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I 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 materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2213-2251 (the public bid law).

There were no expenditures for materials and supplies that exceeded \$15,000 nor were there public works expenditures 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 me with the required list including the noted information.

BOARD OF COMMISSIONERS  
LAKE BRUIN WATERWORKS DISTRICT NO. 1  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 2002

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

The district had no employees during the year ended December 31, 2002.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 3 above as immediate family members.

See procedure #3.

**Budgeting**

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

The district is not legally required to adopt a budget.

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

See procedure #5.

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.

See procedure #5.

**Accounting and Reporting**

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

- (a) trace payments to supporting documentation as to correct amount and payee;
- (b) determine if payments were properly coded to the correct fund and general ledger account;
- (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

BOARD OF COMMISSIONERS  
LAKE BRUIN WATERWORKS DISTRICT NO. 1  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 2002

- (a) The six selected disbursements were properly supported as to amount and payee.
- (b) The six selected disbursements were properly coded to the correct fund and general ledger account.
- (c) The six selected disbursements received approval from proper authorities.

**Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-BS 43:1-12 (the opening meetings law).

The district posted the agenda for meetings at least 24 hours prior to the time of the meeting.

**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.

I reviewed all bank deposits 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, advances, or gifts.

The district had no employees during the year ended December 31, 2002.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

BOARD OF COMMISSIONERS  
LAKE BRUIX WATERWORKS DISTRICT NO. 1  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 2002

This report is intended solely for the use of management of Lake Bruix Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, and is not intended to be 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.



Cathey Primes  
Cathoon, Louisiana  
April 22, 2003



### **Louisiana Attestation Questionnaire**

The accompanying Louisiana Attestation Questionnaire has been completed by management and is included in this report as required by the Louisiana Governmental Audit Guide.

M. Carleen Dumas  
Certified Public Accountant  
369 Donaldson Rd.  
Caldwell, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the Lake Bruin Waterworks District No. 1 as of December 31, 2002 and for the year then ended, and as required by Louisiana Revised Statute 24:583 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 information available to us as of \_\_\_\_\_.

#### **PUBLIC BID LAW**

1. The provisions of the public bid law, LSA-RS Title 48:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes  No  N/A

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. 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 which would constitute a violation of LSA-RS 42:1104-1124.

Yes  No  N/A

3. 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 which would constitute a violation of LSA-RS 42:1118.

Yes  No  N/A

#### BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-140) or the budget requirements of LSA-RS 39:43.

Yes  No [ ] N/A [ ]

#### ACCOUNTING AND REPORTING

5. 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 [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

#### MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes  No [ ] N/A [ ]

#### DEBT

9. 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 1874 Louisiana Constitution, Article VI, Section 13 of the 1974 Louisiana Constitution, and LSA-RS 47:1403-60.

Yes  No [ ] N/A [ ]

#### ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1874 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-723.

Yes  No [ ] N/A [ ]

We have disclosed to you all known non-compliance 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 non-compliance 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 non-compliance which may occur subsequent to the issuance of your report.

*J. M. Mitchell*  
President

2-19-03  
Date