

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

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2016**

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

Annual Financial Statements

As of and for the Year Ended December 31, 2014

**C O N T E N T S**

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**M. CARLEEN DUMAS**  
**Certified Public Accountant**  
**369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726**

**Independent Accountant's Review Report**

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

I have reviewed the accompanying financial statements of the business-type activities of the Lake Bruin Waterworks District No. 1 (the "District"), as of and for the year ended December 31, 2016, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquires of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management of the District is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

**Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Member of the American Institute of Certified Public Accountants**  
**Member of the Society of Louisiana of Certified Public Accountants**

BOARD OF COMMISSIONERS  
LAKE BRUIN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana  
Independent Accountant's Review Report  
December 31, 2016

**Other Matters**

**Supplementary Information**

The accompanying schedules of compensation, benefits, and other payments to agency head and board of commissioners and current year findings and corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have not audited or reviewed such required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on it.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated March 14, 2017, on the results of my agreed-upon procedures.

/s Carleen Dumas  
Calhoun, Louisiana  
March 14, 2017

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2016

Our discussion and analysis of Lake Bruin Waterworks District No. 1's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the District's financial statements that begin on page 8.

### **BASIC FINANCIAL STATEMENTS**

This annual report consists of a series of 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 :

- a. Management's discussion and analysis (MD&A)
- b. Statement of net position
- c. Statement of revenues, expenses, and changes in net position
- d. Statement of cash flows
- e. Notes to the financial statements
- f. 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.

### **Enterprise Fund Financial Statements**

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in net position. Net position - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
 St. Joseph, Louisiana  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Year Ended December 31, 2016

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

**COMPARATIVE ANALYSIS OF  
 FINANCIAL DATA**

The District's total net position increased by \$53,779 during 2016. Operating revenues decreased \$8,551 and operating expenses increased \$7,164 due primarily to an increase in the cost of water purchased. The following presents an analysis of net position and changes in net position of the District's business-type activities:

	<b>BUSINESS-TYPE ACTIVITIES</b>	
	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current assets	\$129,506	\$100,217
Restricted assets	182,454	161,658
Capital assets	<u>101,962</u>	<u>108,451</u>
Total assets	<u>413,922</u>	<u>370,326</u>
<b>Liabilities</b>		
Current liabilities	51,963	49,146
Long-term liabilities	<u>14,000</u>	<u>27,000</u>
Total liabilities	<u>65,963</u>	<u>76,146</u>
<b>Net Position</b>		
Net investment in capital assets	74,962	68,451
Restricted for debt service	182,454	161,658
Unrestricted	<u>90,543</u>	<u>64,071</u>
Total net position	<u>347,959</u>	<u>294,180</u>
Operating revenues	193,491	202,042
Operating expenses	138,110	130,946
Non-operating revenue (expenses)	<u>(1,602)</u>	<u>(2,538)</u>
Change in net position	53,779	68,558
Net position - beginning	<u>294,180</u>	<u>225,622</u>
Net position - ending	<u>\$347,959</u>	<u>\$294,180</u>

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2016

**OVERALL FINANCIAL POSITION**

The District's change in net position was a \$53,779 increase. Unrestricted net position ( those assets available to finance the daily operations of the district) were \$90,543 at year end. Net position restricted for debt service was \$182,454. The net investment in capital assets was \$74,962 at year end.

**CAPITAL ASSETS AND DEBT**

**Capital Assets**

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$101,962. Capital assets include the water system and improvements costing \$250 or more. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

**Debt**

At year end the District had \$27,000 in revenue bonds payable. Interest expense for the year was \$1,892. Accrued interest payable on these bonds was \$225 at December 31, 2016. Additional information about the District's debt is presented in Note 5 to the financial statements.

**ECONOMIC FACTORS**

The District anticipates that operating revenues and expenses are expected to remain fairly constant for 2017.

**BASIC FINANCIAL STATEMENTS**



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

STATEMENT OF NET POSITION  
December 31, 2016

**ASSETS**

## Current assets:

Cash	\$90,470
Investments	22,059
Accounts receivable	<u>16,977</u>
Total current assets	<u>129,506</u>

## Noncurrent assets:

Restricted cash	182,454
Property, plant and equipment (net of accumulated depreciation)	<u>101,962</u>
Total noncurrent assets	<u>284,416</u>
Total assets	<u>413,922</u>

**LIABILITIES**

## Current liabilities:

Accounts payable	11,205
Accrued interest payable	225
Current portion of long-term debt	13,000
Customer deposits	<u>27,533</u>
Total current liabilities	51,963

## Noncurrent liabilities:

Long-term debt - revenue bonds payable	<u>14,000</u>
Total liabilities	<u>65,963</u>

**NET POSITION**

Net investment in capital assets	74,962
Restricted for debt service	182,454
Unrestricted	<u>90,543</u>
Total net position	<u><u>\$347,959</u></u>

See accompanying notes and independent accountant's review report.

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

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION

For the Year Ended December 31, 2016

**OPERATING REVENUES**

Water sales	\$191,516
Other fees and charges	1,975
Total operating revenues	193,491

**OPERATING EXPENSES**

Management fee	33,466
Supplies	1,153
Office expense	57
Bank fees	1,461
Utilities	3,336
Insurance	1,372
Maintenance fees	12,936
Accounting expense	1,205
Postage	1,508
Dues and licenses	1,058
Repairs	4,710
Depreciation	6,489
Water purchases	63,983
Water sampling	1,776
Other operating expenses	3,600
Total operating expenses	138,110

**OPERATING INCOME****NON-OPERATING REVENUES (EXPENSES)**

Interest income	290
Interest expense	(1,892)
Total non-operating revenues (expenses)	(1,602)

**CHANGE IN NET POSITION**

<b>CHANGE IN NET POSITION</b>	53,779
<b>NET POSITION - BEGINNING</b>	294,180
<b>NET POSITION - ENDING</b>	\$347,959

See accompanying notes and independent accountant's review report.

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

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2016

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$190,587
Customer meter deposits (net)	620
Payments to suppliers	<u>(129,317)</u>
Net cash provided by operating activities	<u>61,890</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on capital debt	(13,000)
Interest paid on capital debt	(2,000)
Increase in restricted cash	<u>(20,796)</u>
Net cash used by capital and related financing activities	<u>(35,796)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	290
Increase in investments	<u>(75)</u>
Net cash provided by investing activities	<u>215</u>
<b>NET INCREASE IN CASH</b>	26,309
<b>CASH AT BEGINNING OF YEAR</b>	<u>64,161</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$90,470</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	<u>\$55,381</u>
Adjustments:	
Depreciation	6,489
Increase in accounts receivable	(2,904)
Increase in accounts payable	2,304
Increase in customer meter deposits	620
Total adjustments	<u>6,509</u>
Net cash provided by operating activities	<u><u>\$61,890</u></u>

See accompanying notes and independent accountant's review report.

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

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2016

## 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 has no employees.

GASB Statement No. 14, *The Reporting Entity*, No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, 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 maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

### 1. 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)
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4. Statement of cash flows
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The Lake Bruin Waterworks District No. 1 is a special-purpose government engaged only in business-type activities.

See independent accountant's review report.

**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.

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 Bruin 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 limits the district's credit risk by restricting the district's investments to 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, 2016, 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. The district's interest rate risk is limited by the investment of funds for periods not to exceed one year.

**D. Receivables**

Receivables for water sales are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due amounts are written off when they are considered uncollectible by management.

**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 agreement. It

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

is the district’s policy to use unrestricted assets first when both unrestricted and restricted assets are available for a specific purpose.

**F. Capital Assets**

Capital assets, which include land, water system 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 Bruin 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 system and improvements	25 years

**G. Long-term Obligations**

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

**H. Interest Costs**

The following provides disclosure on interest costs for the year ended December 31, 2016:

Total interest cost expensed	\$1,892
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u><u>\$1,892</u></u>

**I. 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

See independent accountant’s review report.

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

revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2016, the district has cash and investments (book balances) as follows:

Non-interest bearing checking accounts	\$90,470
Interest bearing savings accounts	182,454
Investments - certificates of deposit	<u>22,059</u>
Total	<u>\$294,983</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. At December 31, 2016, the Lake Bruin Waterworks District No. 1 has \$295,460 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

**3. ACCOUNTS RECEIVABLE**

At December 31, 2016, the district has net receivables of \$14,072 as follows:

Water sales	\$15,298
Other	1,679
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$16,977</u>

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2016, is as follows:

	Balance at January 1, 2016	Increases	Decreases	Balance at December 31, 2016
Capital assets not being depreciated:				
Land	<u>\$5,500</u>	<u>NONE</u>	<u>NONE</u>	<u>\$5,500</u>
Capital assets being depreciated:				

See independent accountant's review report.

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

	Balance at January 1, 2016	Increases	Decreases	Balance at December 31, 2016
Water system and improvements	\$714,262	NONE	NONE	\$714,262
Less accumulated depreciation for: Water system and improvements	611,311	\$6,489		617,800
Total assets being depreciated, net	102,951	(6,489)	NONE	96,462
Total	<u>\$108,451</u>	<u>(\$6,489)</u>	<u>NONE</u>	<u>\$101,962</u>

Depreciation expense of \$6,489 for the year ended December 31, 2016 was reported in the statement of revenues, expenses, and changes in net position.

**5. LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt (revenue bonds payable) transactions for the year ended December 31, 2016:

Revenue bonds payable at January 1, 2016	\$40,000
Additions	NONE
Reductions	<u>(13,000)</u>
Revenue bonds payable at December 31, 2016	<u>\$27,000</u>

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, 2016:

Current portion	\$13,000
Long-term portion	<u>14,000</u>
Total	<u>\$27,000</u>

All outstanding debt at December 31, 2016, in the amount of \$27,000 are revenue bonds payable with maturities from 2017 through 2018 and an interest rate of 5.0%. Loan principal and interest payable in the next fiscal year are \$13,000 and \$1,350, respectively. The individual bonds are as follows:

See independent accountant's review report.



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

	\$250,000
	<u>Bonds</u>
Original issue date	10/27/78
Interest rate	5.00%
Final payment due	10/28/18
Interest to maturity	\$2,050
Principal outstanding	\$27,000
Funding source	Water revenue

The loans are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2017	\$13,000	\$1,350	\$14,350
2018	<u>14,000</u>	<u>700</u>	<u>14,700</u>
Total	<u>\$27,000</u>	<u>\$2,050</u>	<u>\$29,050</u>

**6. RESTRICTED CASH**

The bond covenants for the 1978 revenue bonds discussed in note 5 above, required 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 dates. 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 5% of the amount required to be transferred into the Revenue Note and Interest Sinking Fund for payment of principal and interest. 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 \$15,300 that was required to be set aside 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.

See independent accountant's review report.

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

- C. A "Depreciation and Contingency Fund". The district must transfer \$77 into this fund each month. 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.

At December 31, 2016, the district has set aside \$182,454 to meet the reserve requirements. These deposits are reported as restricted cash on the district's statement of net position.

**7. 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.

**8. SUBSEQUENT EVENTS**

Management of the district has evaluated subsequent events through March 14, 2017, the date which the financial statements were available to be issued.

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES**

See independent accountant's review report.

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

OTHER SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended December 31, 2016

**COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD AND  
BOARD OF COMMISSIONERS**

The Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Act 706 of the 2016 Session and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The agency head as well as the board members serve without benefit of compensation.

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**

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

See independent accountant's review report.

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

SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD  
AND BOARD OF COMMISSIONERS  
For the Year Ended December 31, 2016

**BOARD COMPENSATION**

Agency Head - Alphonse Coco - President	NONE
Paula Wilhite	NONE
Irby Gamble	NONE
Mike Rogers	NONE
Donna Ratcliff	<u>NONE</u>
Total	<u><u>NONE</u></u>

See independent accountant's review report.

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

CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 2016

**2016-1 Disbursement Posted to Incorrect General Ledger Account**

Criteria: Management is responsible for maintaining accounting records that provide for the timely preparation of financial statements that are in accordance with generally accepted accounting principles.

Condition: One of six disbursements examined was not posted to the proper general ledger account.

Cause: Oversight.

Effect: Accounting records were not accurate.

Recommendation: All disbursements should be posted to the proper general ledger account.

Management's Response: In the future, all disbursements will be posted to the proper general ledger account.

**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 Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**M. CARLEEN DUMAS**  
**Certified Public Accountant**  
**369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726**

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

BOARD OF COMMISSIONERS  
LAKE BRUIN 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 to 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 the District's compliance with certain laws and regulations during the year ended December 31, 2016 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

A review was made of all disbursements for the year. There were no disbursements for materials and supplies exceeding \$30,000 nor were there any disbursements for public works exceeding \$150,000 made during the year.

**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.

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**Member of the Society of Louisiana of Certified Public Accountants**



Lake Bruin Waterworks District No. 1  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 2016

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, 2016.

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

The District had no employees during the year ended December 31, 2016.

**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 agreed-upon 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 agreed-upon 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 proper 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:

- (a) The six selected disbursements were adequately supported.

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- (b) One of the six selected disbursements was not properly coded to the correct general ledger account.
- (c) The six selected disbursements received approval from the proper authorities.

**Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11-28 (the opening meetings law).

The public notices for meetings were posted as required by LSA-RS 42:11-28.

**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 examined all deposits for the period under examination and noted no proceeds that appeared to be from 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, 2016.

**Prior Comments and Recommendations**

The prior year report dated March 31, 2016, did not include any comments or unresolved matters.

I was not engaged to perform, and did not perform, an audit, 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.

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This report is intended solely for the use of management of the Lake Bruin Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

/s Carleen Dumas  
Calhoun, Louisiana  
March 14, 2017

## **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, CPA  
369 Donaldson Road  
Calhoun, LA 71225

Mrs. Dumas,

In connection with your review of our financial statements as of December 31, 2016 and for the year then ended, 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 information available to us as of 12/31/16.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [ X ] No [ ] N/A [ ]

**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 which would constitute a violation of R.S. 42:1101-1124.

Yes [ X ] No [ ] N/A [ ]

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 R.S. 42:1119.

Yes [ X ] No [ ] N/A [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [ X ] No [ ] N/A [ ]

**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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ] N/A [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and R.S. 33:463 where applicable.

Yes [ X ] No [ ] N/A [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ X ] No [ ] N/A [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ X ] No [ ] N/A [ ]

**Meetings**

We have complied with the provisions of the Opening Meetings Law, provided R.S. 42:11 through 42:28.

Yes [ X ] No [ ] N/A [ ]

**Debt**

It is true that 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 R.S. 39:1410.60 - 1410.65.

Yes [ X ] No [ ] N/A [ ]

**Advances and Bonuses**

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

Yes [ X ] No [ ] N/A [ ]

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.

/s Alphonse Coco - President  
Name

2/17/17  
Date