



Bourgeois Bennett

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Consolidated Waterworks District No. 1 of
the Parish of Terrebonne,
State of Louisiana,
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Consolidated Waterworks District No. 1 (the District) and the Board of Commissioners, solely to assist you with respect to the cash and securities of the District for the period July 1, 2003 to December 31, 2003. This engagement to apply agreed-upon procedures 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 District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We traced beginning cash balances in the general ledger to our workpapers of the last engagement (June 30, 2003) and found them to be in agreement.
2. We selected a sample of 20 checks from the Water System Fund for the period July 1, 2003 to December 31, 2003 and compared cancelled checks to supporting documents and found no deviations from attributes tested.
3. We compared cancelled checks and deposits for the period July 1, 2003 to December 31, 2003 for the Bond Reserve Account, Depreciation and Contingencies Account, Surplus Fund Account, Revenue Bond Sinking Fund Account and the Unrestricted Construction Fund Account to the bank statements and to supporting documents and found no exceptions.
4. We scanned client-prepared bank reconciliations for the period July 1, 2003 to December 31, 2003 for correctness and found no exceptions.
5. We footed the cash account in the general ledger for the Surplus Fund for the period July 1, 2003 to December 31, 2003 and found it to be correct.

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6. We footed the cash receipts and cash disbursements registers for September 2003 for the Depreciation and Contingency Fund and found the registers to be correct.
7. We traced the cash receipts and cash disbursements to the general ledger for September 2003 for the Depreciation and Contingency Fund and found the records to be in agreement.
8. Except for procedure a), we performed the following teller cash receipts procedures for receipts of July 7, 2003, August 14, 2003, September 22, 2003, October 8, 2003, November 5, 2003 and December 15, 2003:
 - a) Footed teller 6's recap for September 22, 2003.
 - b) Traced teller transaction recap to daily cash recap then traced to recap by service.
 - c) Traced to cash receipts' register and daily cash reports.
 - d) Footed the daily cash reports.

We found no exceptions in the above testing.

9. We reconciled all bank accounts for December 2003 and agreed the reconciled balances to the general ledger.
10. We examined cancelled checks clearing the bank during the month ended December 31, 2003 for the Payroll Account, Meter Deposit Account, Water System Fund Account and Group Medical Insurance Account, and found no exceptions.
11. We examined cancelled checks clearing the December 2003 bank statements and compared those cancelled checks to the November 30, 2003 outstanding check list and found no exceptions for all bank accounts listed in steps 3 and 10.
12. We counted cash in all registers and reconciled the total to the daily cash recap as of the close of business on July 9, 2003.
13. We counted petty cash as of July 9, 2003 and agreed it to the general ledger.
14. We acquired receipts for the purchase and sales of certificates of deposits and deposits into the Louisiana Asset Management Pool, scheduled activity for the period July 1, 2003 to December 31, 2003, compared activity to bank statements and agreed the information to the general ledger and found no exceptions.
15. We reviewed sales trend analysis and concluded it was consistent with prior periods.

16. We reviewed the 2004 original budget and concluded that there were no significant operational variances.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
February 11, 2004.