

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

Annual Financial Statements

As of and for the Year Ended
December 31, 2023

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

Annual Financial Statements

As of and for the Year Ended December 31, 2023

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • 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 Lake Bruin Waterworks District No. 1 (the "District"), a component unit of Tensas Parish, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. 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 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 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, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

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

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.

Other Matters

Supplementary Information

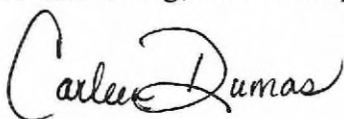
The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners and the schedule of prior year findings are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation 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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Report on Other Legal and Regulatory Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated May 8, 2024, on the results of my agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance.



Calhoun, Louisiana
May 8, 2024

BASIC FINANCIAL STATEMENTS

Statement A

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

STATEMENT OF NET POSITION
December 31, 2023

ASSETS

Current assets:

Cash	\$125,220
Investments	23,676
Accounts receivable	<u>13,701</u>
Total current assets	<u>162,597</u>

Noncurrent assets:

Restricted cash	186,132
Property, plant and equipment (net of accumulated depreciation)	<u>1,059,760</u>
Total noncurrent assets	<u>1,245,892</u>
Total assets	<u>1,408,489</u>

LIABILITIES

Current liabilities:

Accounts payable	10,285
Customer deposits	<u>13,315</u>
Total current liabilities	<u>23,600</u>

Liabilities payable from restricted assets:

Accrued interest payable	4,406
Current portion of loan payable	<u>44,000</u>
Total liabilities payable from restricted assets	<u>48,406</u>

Noncurrent liabilities:

Long-term debt - loan payable	<u>675,339</u>
Total liabilities	<u>747,345</u>

NET POSITION

Net investment in capital assets	340,421
Restricted for debt service	137,726
Unrestricted	<u>182,997</u>
Total net position	<u>\$661,144</u>

See accompanying notes and independent accountant's review report.

Statement B

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

STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2023

OPERATING REVENUE	
Water sales	\$214,700
Penalties	2,274
Reconnect fees	4,600
Meter installation fees	1,230
Other	1,025
Total operating revenue	<u>223,829</u>
OPERATING EXPENSES	
Management fee	52,090
Supplies	3,107
Bank fees	580
Utilities	2,930
Insurance	280
Accounting expense	1,536
Postage and delivery	2,266
Office supplies	192
Dues and subscriptions	861
Repairs and maintenance	15,551
Advertising and promotion	24
Depreciation	53,239
Water purchases	62,155
Total operating expenses	<u>194,811</u>
OPERATING INCOME	<u>29,018</u>
NON-OPERATING REVENUE (Expenses)	
Interest income	1,830
Interest expense	(14,656)
Loan administrative fees	(3,758)
Total non-operating revenue (expenses)	<u>(16,584)</u>
CHANGE IN NET POSITION	12,434
NET POSITION - BEGINNING	<u>648,710</u>
NET POSITION - ENDING	<u><u>\$661,144</u></u>

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, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$222,979
Customer meter deposits applied	(1,050)
Payments to suppliers	<u>(148,850)</u>
Net cash provided by operating activities	<u>73,079</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on capital debt	(43,000)
Interest paid on capital debt	(14,866)
Loan administrative fees paid	(3,812)
Decrease in restricted cash	<u>3,418</u>
Net cash used by capital and related financing activities	<u>(58,260)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	1,830
Increase in restricted cash	(1,405)
Increase in investments	<u>(425)</u>
Net cash provided by investing activities	<u>NONE</u>

NET INCREASE IN CASH

NET INCREASE IN CASH	14,819
CASH AT BEGINNING OF YEAR	<u>110,401</u>
CASH AT END OF YEAR	<u><u>\$125,220</u></u>

Reconciliation of Operating Income to Net Cash**Provided by Operating Activities**

Operating Income	<u>\$29,018</u>
Adjustments:	
Depreciation	53,239
Increase in accounts receivable	(850)
Decrease in accounts payable	(7,278)
Decrease in customer meter deposits	<u>(1,050)</u>
Total adjustments	<u>44,061</u>
Net cash provided by operating activities	<u><u>\$73,079</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, 2023

INTRODUCTION

Lake Bruin Waterworks District No. 1 (the "District") 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 District 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)
- (2) Statement of net position
- (3) Statement of revenues, expenses, and changes in net position
- (4) Statement of cash flows
- (5) Notes to the financial statements
- (6) RSI other than MD&A, if applicable

The District is a special-purpose government engaged only in business-type activities.

See independent accountant's review report.

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

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

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

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenue of Lake the District is 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 revenue and expenses not meeting this definition are reported as nonoperating revenue 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, 2023, 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 accounts. 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.

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

E. Restricted Assets

Certain resources required to be set aside by the loan agreement for debt service are classified as restricted assets on the balance sheet because their use is limited. It is the District's policy to use unrestricted assets first when both unrestricted and restricted assets are available for a specific purpose.

F. Property, Plant, and Equipment

Property, plant, and equipment, which includes land and the water system and improvements are reported in the enterprise fund financial statements. All of the District's capital assets are capitalized at historical cost. The District 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. In accordance with GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest cost incurred before the end of the construction period is recognized as an expense in the period in which the cost is incurred and not capitalized as part of the historical cost of the capital asset.

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 Debt

Long-term debt such as loan payable is reported as a liability in the statement of net position.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

See independent accountant's review report.

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

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2023, the District has cash and investments (book balances) as follows:

Non-interest bearing checking accounts	\$228,713
Interest bearing savings accounts	82,639
Investments - certificates of deposit	<u>23,676</u>
Total	<u>\$335,028</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, 2023, the District has \$345,199 in deposits (collected bank balances) which are fully secured from risk by federal deposit insurance.

3. ACCOUNTS RECEIVABLE

At December 31, 2023, the District has net receivables as follows:

Water sales	\$13,701
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$13,701</u>

For the year ended December 31, 2023, the total amount billed for water services was \$214,646. The District had 435 active customers at December 31, 2023. Residential and commercial customers are billed \$29 for the first 2,000 gallons of water used plus \$6.50 per thousand gallons for all gallons thereafter. New customers are charged a \$500 meter installation fee. Homeowners must pay a \$35 non-refundable membership fee and renters must pay a \$60 non-refundable membership fee. Customers are also charged a \$35 transfer fee and a \$100 reconnect fee if service is disconnected for nonpayment.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023, is as follows:

	Balance at January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2023</u>
Capital assets not being depreciated:				

See independent accountant's review report.

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

	Balance at January 1, 2023	Increases	Decreases	Balance at December 31, 2023
Land	\$5,500	NONE	NONE	\$5,500
Capital assets being depreciated:				
Water system and improvements	1,354,037			1,354,037
Less accumulated depreciation for:				
Water system and improvements	246,538	\$53,239		299,777
Total assets being depreciated, net	1,107,499	(53,239)	NONE	1,054,260
Total	<u>\$1,112,999</u>	<u>(\$53,239)</u>	<u>NONE</u>	<u>\$1,059,760</u>

Depreciation expense of \$53,239 for the year ended December 31, 2023, is reported in the statement of revenue, expenses, and changes in net position.

5. LONG-TERM DEBT

On December 1, 2017, the District entered into a loan agreement with the Louisiana Department of Health (LDH) Drinking Water Revolving Loan Fund (DWRLF) by issuing \$1,200,000 in water revenue bonds to make improvements to its water system. LDH gave a 20% principal forgiveness on each principal drawdown (up to a maximum of \$500,000 forgiveness) so the maximum amount of principal repayment would be \$960,000. The total amount of principal drawdowns at December 31, 2023 is \$1,182,924. The bonds bear interest at 1.95%, payable semi-annually on March 1 and September 1 of each year, which began in 2018. The District, also pays a .50% administrative fee to LDH on the outstanding principal amount of the bond, payable on each interest payment date. The principal is being repaid in twenty annual installments which began September 1, 2018. The bonds are secured and payable from a pledge and dedication of water revenue after the payment of the reasonable and necessary operating and maintenance expenses. A default event under the agreement is defined as the failure to pay the principle, interest, or administrative fee on the bonds as they become or the failure to perform any obligation under the loan agreement. When a default event occurs, LDH has the right to take any action permitted in the loan agreement that is necessary to collect the amounts due including the appointment of a receiver of the water system.

The following is a summary of long-term debt transactions for the year ended December 31, 2023:

See independent accountant's review report.

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

	Direct Borrowing - 2017 LDH DWRLF Loan
Balance at January 1, 2023	<u>\$762,339</u>
Additions	NONE
Reductions	<u>(43,000)</u>
Balance at December 31, 2023	<u><u>\$719,339</u></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 at December 31, 2023:

Current portion	\$44,000
Long-term portion	<u>675,339</u>
Total	<u><u>\$719,339</u></u>

The annual requirements to pay the outstanding principal, interest, and fees at December 31, 2023, are as follows:

Year	Principal	Interest	Administrative Fee	Total
2024	\$44,000	\$14,027	\$3,597	\$61,624
2025	45,000	13,169	3,377	61,546
2026	46,000	12,292	3,152	61,444
2027	47,000	11,395	2,922	61,317
2028	48,000	10,478	2,687	61,165
2029 - 2033	258,000	37,902	9,718	305,620
2034 - 2037	<u>231,339</u>	<u>11,414</u>	<u>2,927</u>	<u>245,680</u>
Totals	<u><u>\$719,339</u></u>	<u><u>\$110,677</u></u>	<u><u>\$28,380</u></u>	<u><u>\$858,396</u></u>

6. RESTRICTED CASH

The loan agreement with Louisiana Department of Health DWRLF requires that the District establish and maintain the following bank accounts:

See independent accountant's review report.

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

	Amount Required by Loan Agreement at December 31, 2023	Balance at December 31, 2023
Water Revenue Bond Debt Service Fund - payment of semi-annual debt service payments; must transfer 1/12 of each year's debt service into this fund on a monthly basis.	\$19,407	\$103,493
Water Revenue Bond Reserve Fund - to provide funds to pay debt service on 2023 bonds that would otherwise be in default.	31,003	31,272
Water Revenue Bond Depreciation and Contingencies Fund - to provide an available reserve for extensions, additions, improvements, renewals, and replacements necessary to properly operate the water system.	<u>50,000</u>	<u>51,367</u>
Totals	<u>\$100,410</u>	<u>\$186,132</u>

7. OPERATION AND MAINTENANCE AGREEMENT

The District entered into an agreement with JCP Management, Inc., to operate and maintain the water system in accordance with the rules, regulations, and by-laws adopted by the Board of Commissioners of the District and in accordance with the annual budget and fee schedule adopted by the District. The monthly fee for providing basic operation and maintenance services is \$10 per meter per month. Other services are billed based on the fee schedule included in the agreement. During the year ended December 31, 2023, JCP Management billed the District a total of \$70,503 for services under the agreement. The amount due JCP Management, Inc., at December 31, 2023 is \$5,019.

8. 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 independent accountant's review report.

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, 2023

**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 Louisiana Revised Statute 24:513 A (3) 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.

SCHEDULE OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior 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, 2023

BOARD COMPENSATION

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

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

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2023

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2022-001	2018	Inadequate Segregation of Accounting Duties	Resolved.
2022-002	2018	Failure to Maintain Accurate Customer Meter Deposit Records	Unresolved - see 2023-002 in current year findings.

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, 2023

2023-001. Failure to Maintain Accurate Customer Meter Deposit Records

Criteria: Proper internal controls, as well as the Louisiana Legislative Auditor's best practices guidance for local governments, require that subsidiary records be maintained for the customer meter deposit liability recorded in the general ledger and that the customer meter deposit liability recorded in the general ledger be reconciled on a monthly basis with the listing of customers' meter deposits maintained in the subsidiary records, i.e. the billing software.

Condition: The listing of customers' meter deposits maintained in the billing software at December 31, 2023, includes approximately 14 customers that have incorrect amounts recorded as their deposit amount resulting in an overstatement of \$4,410. The listing of customers' meter deposits maintained in the billing software also incorrectly includes non-refundable membership fees in the amount of \$385. The listing of customers' meter deposits maintained in the billing software is not reconciled to the customer meter deposit liability recorded in the general ledger on a monthly basis.

Cause: Undetermined.

Effect: Errors in customer meter deposit records and the customer meter deposit liability recorded in the general ledger were not be detected and corrected within a timely period.

Recommendation: The customer accounts in the billing software should be reviewed and meter deposit amounts should be corrected for all active customers. A listing of customers' meter deposits maintained in the billing software should be printed each month and reconciled to the customer meter deposit liability reported in the general ledger and any differences should be investigated and resolved.

**Management's Response
and Corrective Action Plan:**

The listing of customers' meter deposits maintained in the billing software will be reviewed and corrected for all active customers.

**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 71225 • TELEPHONE 318/644-5726

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

LAKE BRUIN WATERWORKS DISTRICT NO. 1 and
LOUISIANA LEGISLATIVE AUDITOR:

I have performed the procedures enumerated below on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not need the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.), R.S. 39:1551-39:1775 (the state procurement code); R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

A review was made of all expenditures for the year. There were no expenditures for materials and supplies that exceeded \$60,000 nor any expenditures for public works that exceeded \$250,000.

Lake Bruin Waterworks District No. 1 and
Louisiana Legislative Auditor
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2023

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided me with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

The District does not have any employees.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

The District does not have any employees.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided me with the requested information. None of the businesses of board members nor board members' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

The District is not legally required to adopt a budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

See agreed-upon Procedure 6.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

See agreed-upon Procedure 6.

Lake Bruin Waterworks District No. 1 and
Louisiana Legislative Auditor
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2023

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements are coded to the correct fund and general ledger account.

One of the six selected disbursements was not coded to the correct general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 - 42:28 (the opening meetings law); and report whether there are any exceptions.

Management provided evidence that a notice of each meeting is posted at the District's meeting place as required by the open meetings law.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like

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indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I scanned all bank deposits for the fiscal year and noted no deposits that appeared to be proceeds from bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain a list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

The District does not have any employees.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District's report for the year ended December 31, 2022, was submitted prior to June 30, 2023.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1.A (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The District was in compliance with R.S. 24:513 for the year ended December 31, 2022.

Prior Year Comments

15. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

My prior year report, dated May 24, 2023, included two findings. One of those findings has not been resolved by management.

I was engaged by the District to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government*

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Auditing Standards, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Calhoun, Louisiana
May 8, 2024

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*.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)
_____ (Date Transmitted)

M. Carleen Dumas, CPA
369 Donaldson Road
Calhoun, LA 71225

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2023 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes 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 that would constitute a violation of R.S. 42:1101-1124.

Yes 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 that would constitute a violation of R.S. 42:1119.

Yes 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 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 No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes 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 No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No [] N/A []

Meetings

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

Yes [] No [] N/A []

Debt

It is true 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 [] No [] N/A []

Advances and Bonuses

It is true 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 [] No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] 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.

Yes [] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A []

