

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

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2021**

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

Annual Financial Statements

As of and for the Year Ended December 31, 2021

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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**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 Police Jury, as of and for the year ended December 31, 2021, 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 inquires 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 Lake Bruin Waterworks District No. 1 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 the purpose 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 April 12, 2022, 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  
April 12, 2022

## BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
December 31, 2021

**ASSETS**

## Current assets:

Cash	\$129,061
Investments	23,204
Accounts receivable	11,715
Total current assets	163,980

## Noncurrent assets:

Restricted cash	178,214
Property, plant and equipment (net of accumulated depreciation)	1,166,239
Total noncurrent assets	1,344,453
Total assets	1,508,433

**LIABILITIES**

## Current liabilities:

Accounts payable	13,446
Customer deposits	15,375
Total current liabilities	28,821

## Liabilities payable from restricted assets:

Accrued interest payable	5,169
Current portion of loan payable	42,000

## Noncurrent liabilities:

Long-term debt - loan payable	762,339
Total liabilities	838,329

**NET POSITION**

Net investment in capital assets	361,900
Restricted for debt service	131,045
Unrestricted	177,159
Total net position	\$670,104

See accompanying notes and independent accountant's review report.



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

STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN NET POSITION  
For the Year Ended December 31, 2021

**OPERATING REVENUE**

Water sales	\$205,058
Penalties	2,352
Reconnect fees	4,035
Meter installation fees	1,965
Other	1,195
Total operating revenue	214,605

**OPERATING EXPENSES**

Management fee	50,740
Supplies	8,220
Bank fees	591
Utilities	5,182
Insurance	280
Accounting expense	1,895
Postage and delivery	1,898
Office supplies	212
Dues and subscriptions	1,069
Repairs and maintenance	35,829
Depreciation	54,162
Water purchases	70,254
Safe drinking water fee	1,191
Sales tax	271
Other operating expenses	289
Total operating expenses	232,083
<b>OPERATING INCOME (Loss)</b>	<b>(17,478)</b>

**NON-OPERATING REVENUE (Expenses)**

Interest income	82
Interest expense	(16,389)
Loan administrative fees	(4,202)
Total non-operating revenue (expenses)	(20,509)

**LOAN PRINCIPAL FORGIVENESS**

<b>CHANGE IN NET POSITION</b>	<b>(36,719)</b>
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**NET POSITION - BEGINNING**

<b>NET POSITION - ENDING</b>	<b>706,823</b>
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	<b>\$670,104</b>
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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, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$214,490
Customer meter deposits applied	(105)
Payments to suppliers	<u>(190,072)</u>
Net cash provided by operating activities	<u>24,313</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on capital debt	(40,000)
Interest paid on capital debt	(16,366)
Loan administrative fees paid	(4,196)
Loan proceeds	6,339
Construction of capital assets	(6,339)
Increase in restricted cash	<u>(10,397)</u>
Net cash used by capital and related financing activities	<u>(70,959)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	82
Increase in restricted cash	(39)
Increase in investments	<u>(43)</u>
Net cash provided by investing activities	<u>NONE</u>
<b>NET DECREASE IN CASH</b>	(46,646)
<b>CASH AT BEGINNING OF YEAR</b>	<u>175,707</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$129,061</u></u>

**Reconciliation of Operating Income (Loss) to Net Cash**

<b>Provided by Operating Activities</b>	
Operating Income (Loss)	<u>(\$17,478)</u>
Adjustments:	
Depreciation	54,162
Increase in accounts receivable	(115)
Decrease in accounts payable	(12,151)
Decrease in customer meter deposits	<u>(105)</u>
Total adjustments	<u>41,791</u>
Net cash provided by operating activities	<u><u>\$24,313</u></u>

Loan principal forgiveness in the amount of \$1,268 resulted in a reduction of liabilities that did not result in cash payments.

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, 2021

## 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.

**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 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 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, 2021, 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.

See independent accountant's review report.



**E. Restricted Assets**

Certain resources required to be set aside by the loan agreement for debt service and construction 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. Capital Assets**

Capital assets, which include land and 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 and construction in progress, 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 loan payable is reported as a liability in the statement of net position.

**H. Interest Costs and Administrative Loan Fees**

The following provides disclosure on interest costs and administrative loan fees for the year ended December 31, 2021:

See independent accountant's review report.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
 St. Joseph, Louisiana  
 Notes to the Financial Statements

Total interest cost expensed	\$16,389
Administrative loan fees	4,202
Total interest cost capitalized	<u>NONE</u>
Total interest costs and administrative loan fees	<u>\$20,591</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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2021, the District has cash and investments (book balances) as follows:

Non-interest bearing checking accounts	\$129,061
Interest bearing savings accounts	178,214
Investments - certificates of deposit	<u>23,204</u>
Total	<u>\$330,479</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, 2021, the District has \$350,642 in deposits (collected bank balances). These deposits are secured from risk by \$350,000 of federal deposit insurance and \$138,615 of pledged securities held by an unaffiliated bank in the name of the fiscal agent bank.

**3. ACCOUNTS RECEIVABLE**

At December 31, 2021, the District has net receivables of \$11,715 as follows:

Water sales	\$11,715
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$11,715</u>

See independent accountant's review report.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
 St. Joseph, Louisiana  
 Notes to the Financial Statements

For the year ended December 31, 2021, the total amount billed for water services was \$213,716. The District had 425 active customers at December 31, 2021. 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 when service is disconnected for nonpayment.

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2021, is as follows:

	Balance at January 1, 2021	Increases	Decreases	Balance at December 31, 2021
Capital assets not being depreciated:				
Land	\$5,500	NONE	NONE	\$5,500
Capital assets being depreciated:				
Water system and improvements	1,347,698	\$6,339		1,354,037
Less accumulated depreciation for:				
Water system and improvements	139,136	54,162		193,298
Total assets being depreciated, net	1,208,562	(47,823)	NONE	1,160,739
Total	<u>\$1,214,062</u>	<u>(\$47,823)</u>	<u>NONE</u>	<u>\$1,166,239</u>

Depreciation expense of \$54,162 for the year ended December 31, 2021 was 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

See independent accountant's review report.



LAKE BRUIN WATERWORKS DISTRICT NO. 1  
 St. Joseph, Louisiana  
 Notes to the Financial Statements

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, 2021 was \$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, 2021:

	Direct Borrowing - 2017 LDH DWRLF Loan
Balance at January 1, 2021	<u>\$839,268</u>
Additions	6,339
Reductions	(40,000)
Loan principal forgiveness	<u>(1,268)</u>
Balance at December 31, 2021	<u><u>\$804,339</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 as of December 31, 2021:

Current portion	\$42,000
Long-term portion	<u>762,339</u>
Total	<u><u>\$804,339</u></u>

The annual requirements to amortize the DWRLF principal drawdowns received to date are as follows:

See independent accountant's review report.



LAKE BRUIN WATERWORKS DISTRICT NO. 1  
 St. Joseph, Louisiana  
 Notes to the Financial Statements

Year	Principal	Interest	Administrative Fee	Total
2022	\$42,000	\$16,071	\$4,121	\$62,192
2023	43,000	14,866	3,812	61,678
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 - 2031	246,000	47,613	12,208	305,821
2032 - 2036	278,000	22,400	5,743	306,143
2037	60,339	1,177	302	61,818
Totals	<u>\$804,339</u>	<u>\$141,615</u>	<u>\$36,312</u>	<u>\$982,266</u>

**6. RESTRICTED CASH**

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

	Amount Required by Loan Agreement at December 31, 2021	Balance at December 31, 2021
Construction Loan Fund - receiving and disbursing loan proceeds.	NONE	\$45,603
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.	20,571	100,033
Water Revenue Bond Reserve Fund - to provide funds to pay debt service on 2021 bonds that would otherwise be in default.	31,003	28,046

See independent accountant's review report.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
 St. Joseph, Louisiana  
 Notes to the Financial Statements

	Amount Required by Loan Agreement at December 31, 2021	Balance at December 31, 2021
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>\$4,227</u>	<u>\$50,136</u>
Totals	<u>\$55,801</u>	<u>\$223,818</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, 2021, JCP Management billed the District a total of \$86,404 for services under the agreement. The amount due JCP Management, Inc., at December 31, 2021 was \$5,396.

**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, 2021

**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, 2021

**BOARD COMPENSATION**

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

See independent accountant's review report.

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

SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2021

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2020-001	2018	Inadequate Segregation of Accounting Duties	Unresolved - see 2021-001 in current year findings.
2020-002	2018	Inadequate Controls Over Accounts Receivable	Unresolved - see 2021-002 in current year findings.
2020-003	2018	Failure to Maintain Accurate Customer Meter Deposit Records	Unresolved - see 2021-003 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, 2021

**2021-001. Inadequate Segregation of Accounting Duties**

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** The accounting duties of billing, collecting, and posting customer payments to customers accounts are performed by one management company employee.

**Cause:** Small size of the District.

**Effect:** Errors or irregularities may not be detected within a timely period.

**Recommendation:** None.

**Management's Response**

**and Corrective Action Plan:** It is not economically feasible to correct this deficiency based on the size of the District.

**2021-002. Inadequate Controls Over Accounts Receivable**

**Criteria:** Proper internal controls, as well as the Louisiana Legislative Auditor's best practices guidance for local governments, require that accounts receivable recorded in the general ledger be reconciled on a monthly basis to the detailed accounts receivable listing maintained in the billing software.

**Condition:** The accounts receivable balance recorded in the general ledger is not reconciled on a monthly basis to the detailed accounts receivable listing maintained in the billing software.

**Cause:** Undetermined.

**Effect:** Errors or irregularities in accounts receivable balances may not be detected within a timely period.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana  
Current Year Findings and Corrective Action Plan

**Recommendation:** I recommend that the accounts receivable balance recorded in the general ledger be reconciled on a monthly basis to the detailed accounts receivable listing maintained in the billing software. Any differences should be investigated and resolved.

**Management's Response**

**and Corrective Action Plan:**

Management has established procedures to help ensure that all transactions recorded in accounts receivable maintained in the billing software are properly posted to the accounts receivable balance recorded in the general ledger.

**2021-003. 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, 2021, included approximately 14 customers that had incorrect amounts recorded as their deposit amount maintained in the billing software. The listing of customers' meter deposits maintained in the billing software incorrectly included non-refundable membership fees in the amount of \$245. The listing of customers' meter deposits maintained in the billing software was 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.

LAKE BRUIN WATERWORKS DISTRICT NO. 1  
St. Joseph, Louisiana  
Current Year Findings and Corrective Action Plan

**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. Accounting procedures will include reconciling the listing of customers' meter deposits maintained in the billing software to the customer meter deposit liability recorded in the general ledger.

**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

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**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 enumerated below on Lake Bruin Waterworks District No. 1's (the "District"), compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021, 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, 2021. 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 \$30,000, 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 \$30,000 nor any expenditures for public works that exceeded \$250,000.

**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 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 the requested information. None of the businesses of board members and 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.



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**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.

Each of the six selected disbursements were coded to the correct fund and 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 deposit slips for the fiscal year and noted one deposit which was proceeds from bank loans, bonds, or like indebtedness. The loan was approved by the State Bond Commission in 2017.

#### **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, 2020, was submitted prior to June 30, 2021.

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, 2020.

#### **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 10, 2021, included three findings. None of those findings have 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

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Public Accountants, and the standards applicable to attestation engagements contained in *Government 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  
April 12, 2022

## 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, 2021 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 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 [  ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [  ] N/A [  ]

The previous responses have been made to the best of our belief and knowledge.

Alfonse Bar President 3/2/21 Date