



GAS UTILITY DISTRICT NO. 1  
OF EAST FELICIANA PARISH  
WILSON, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
WITH ACCOUNTANT'S COMPILATION REPORT  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 1996

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or controller, clerk and other appropriate public officials. The report is available for public inspection at the Eastern District office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Report Date 3 6 97

PHIL T. GRAHAM

CERTIFIED PUBLIC ACCOUNTANT

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GAS UTILITY DISTRICT NO. 1  
OF EAST FOLCIERS PARISH  
WILCOX, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1996

GAS UTILITY DISTRICT NO. 1  
OF EAST PULASKI, ARKANSAS  
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**PHIL T. GRAHAM**

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February 28, 1997

To the Board of Commissioners of  
Gas Utility District No. 1 of  
East Feliciana Parish

I have compiled the accompanying balance sheet of

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH

a component of East Feliciana Parish Police Jury, as of December 31, 1996, and the related statement of revenues, expenses, charges in retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



**SEA UTILITY DISTRICT NO. 1**  
**OF EAST PELOLIANA ISLAND**  
**BALANCE SHEET**  
**DECEMBER 31, 1958**  
**(WITH DECEMBER 31, 1955, COMPARATIVE DATA)**

**ASSETS**

	1958	1955
<b>CURRENT ASSETS</b>		
Cash	\$ 52,884	\$ 37,380
Accounts receivable - (net of allowance for doubtful accounts)	41,813	43,868
Accrued interest receivable	572	276
Prepaid expenses	5,232	6,832
Total Current Assets	100,499	88,356
<b>FIXED ASSETS</b>		
Land	1,000	1,000
Buildings and improvements	19,878	19,878
Automotive	11,000	11,000
Office equipment	7,177	7,177
Maintenance equipment	38,180	38,180
Gas system	250,841	250,841
Less: accumulated depreciation	(228,851)	(219,890)
Total Fixed Assets	198,878	198,878
<b>TOTAL ASSETS</b>	<b>\$ 299,377</b>	<b>\$ 287,234</b>

**LIABILITIES AND RETAINED EARNINGS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	30,429	14,128
Payroll taxes payable	845	1,032
Sales taxes payable	948	1,134
Customer's deposits	11,802	12,808
Total Current Liabilities	44,024	29,102
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>		
	7,360	7,360
<b>RETAINED EARNINGS</b>		
	158,422	158,702
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 299,377</b>	<b>\$ 287,234</b>

See accompanying notes and accountant's report.

**GAS UTILITY DISTRICT NO. 1**  
**OF EAST FLORENCE PARISH**  
**STATEMENT OF REVENUE, EXPENSES,**  
**AND CHANGE IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 1955**  
**(FIVE YEAR PERIOD ENDED DECEMBER 31, 1955 COMPARATIVE DATA)**

	<u>1955</u>	<u>1954</u>
<b>REVENUE</b>		
Gas sales	\$ 194,138	\$ 179,479
<b>OPERATING EXPENSES</b>		
Auto expense	1,120	1,482
Bad debts	0	2,809
Bank charges	12	74
Billing expense	1,064	1,170
Board fees	8,910	8,130
Depreciation	7,461	7,862
Dees and subscriptions	317	1,124
Gas purchases	100,774	69,269
Insurance	16,117	16,083
Legal and professional	2,955	4,733
Miscellaneous	371	687
Office supplies	1,889	1,721
Payroll taxes	4,373	6,683
Repairs and maintenance	10,381	8,327
Salaries	68,904	69,977
Supplies	1,796	4,118
Taxes and licenses	459	498
Telephone	613	749
Utilities	1,462	1,820
Total Operating Expenses	<u>208,109</u>	<u>189,819</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(12,171)</u>	<u>(10,340)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	1,887	1,640
Miscellaneous income	0	281
	<u>1,887</u>	<u>1,921</u>
<b>NET INCOME (LOSS)</b>	<u>(10,284)</u>	<u>(8,419)</u>
<b>BEGINNING RETAINED EARNINGS</b>	<u>188,795</u>	<u>183,214</u>
<b>ENDING RETAINED EARNINGS</b>	<u>\$ 178,511</u>	<u>\$ 174,795</u>

See accompanying notes and accountant's report.

GAS UTILITY DISTRICT NO. 1  
OF EAST WILMINGTON, DELAWARE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(WITH THE YEAR ENDED DECEMBER 31, 1997 COMPARATIVE DATA)

	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (10,283)	\$ (4,100)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	7,081	7,087
Bad debt provision	0	2,880
(Increase) decrease in Assets:		
Accounts receivable	1,725	(13,548)
Prepaid expenses	138	1612
Interest receivable	104	44
Other receivable	0	38
Increase (decrease) in Liabilities:		
Accounts Payable	18,208	1055
Payroll taxes payable	(187)	(168)
Sales tax payable	(188)	370
Accrued salaries	0	(310)
Customer deposits	1,008	285
	15,885	19,700
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>15,885</b>	<b>19,700</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	0	0
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET DECREASE IN CASH</b>	15,885	(5,280)
<b>CASH AT BEGINNING OF YEAR</b>	27,128	46,308
<b>CASH AT END OF YEAR</b>	<b>\$ 43,013</b>	<b>\$ 41,028</b>
<b>SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION</b>		
Cash paid during the period for interest	\$ _____	\$ _____

See Accompanying notes and accountant's report.

**GAS UTILITY DISTRICT NO. 1  
OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996**

**NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Gas Utility District No. 1 of East Feliciana Parish was incorporated March 13, 1963, under the provision of Act, R.S. 415 of the Acts of Louisiana for the year 1960. The District operates under a Board of Commissioners form of government to provide natural gas to rural areas.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to governments. Such accounting and reporting procedures also conform to the requirement of Louisiana Revised Statutes 24:517 and to Government Auditing Standards and to the industry audit guide, Audits of State and Local Government Units.

The following is a summary of certain significant accounting policies:

**A. Fund Accounting**

This proprietary fund is a component unit of the East Feliciana Parish Police Jury. A proprietary fund, also known as enterprise fund, is used to account for operations:

- a. That are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- b. Where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**B. Basis of Accounting**

Assets, liabilities, retained earnings, revenue, and expenses are recognized on the accrual basis of

GAS UTILITY DISTRICT NO. 1  
OF EAST FLOUIDIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

C. Cash and Investments

At December 31, 1998, Gas Utility District has a carrying balance in cash and investments as follows:

	12/31/98
Petty cash	\$ 40
Demand Deposits	19,697
Certificates of deposit	32,152
Total	<u>\$ 52,889</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance should equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and investments at December 31, 1998, are secured as follows:

	12/31/98
Bank balances	\$ 52,889
Federal deposit insurance	<u>32,884</u>
Balance uninsured	<u>\$ 0</u>

D. Certificates of Deposits

certificates of deposits are stated at cost plus accumulated interest. Market value approximates the cost basis.

E. Cash Equivalents

For purposes of the statement of cash flows, the Gas

**GAS UTILITY DISTRICT NO. 3  
OF EAST LOUISIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996**

**NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Utility District considers all highly liquid debt instruments purchased with a maturity of six months or less to be cash equivalents.

**F. Accounts Receivable**

Accounts receivable consist of customer receivables for gas use. An allowance is provided for losses on accounts receivable. The allowance is based on management's estimate of uncollectible customer accounts at December 31, 1996.

**G. Fixed Assets**

Plant and equipment are stated at cost and do not purport to represent replacement or realizable values. The cost of depreciable property, plant and equipment is charged to earnings over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expenses as incurred; expenditures for renewals and betterments are generally capitalized. When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenues. Depreciation of all depreciable property, plant and equipment is computed using the straight-line method over the following lives:

Building and improvements	15 - 20 years
Furniture and fixtures	5 - 10 years
Equipment and automotive	3 - 5 years
Gas systems	10 - 20 years

**H. Taxes**

The gas utility district is exempt from paying federal and state income tax. All local, state and federal payroll taxes are current.

**SAS UTILITY DISTRICT NO. 2  
OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998**

**NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. Comparative Data**

Comparative data for the prior year has been presented in the accompanying financial statements to provide an understanding of changes in the System's financial position and operations and is not intended to be a complete financial statement presentation.

**2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**NOTE #2: CERTIFICATES OF DEPOSITS**

The District had the following certificates of deposits as of December 31, 1998:

	Interest Rate	Maturity Date	Amount
Feliciana Bank	4.75%	June 26, 1997	\$ 21,266
	4.25%	January 4, 1997	7,824
Bank of Jackson	4.25%	June 20, 1997	12,284
			<u>\$ 41,374</u>

**NOTE #3: ACCOUNTS RECEIVABLE**

The accounts receivable aging as of December 31, 1998 is as follows:

	1998
Current	\$ 27,266
Over 30 days	9,284
	<u>\$ 47,343</u>

There was no bad debt expense as of December 31, 1998; the allowance for doubtful accounts for the period was \$5,810.

**GAS UTILITY DISTRICT NO. 1  
OF EAST PELLICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998**

**NOTE #4: PROPERTY AND EQUIPMENT**

A summary of changes in fixed assets is as follows:

	BALANCE 12/31/97	ADDITIONS	DELETIONS	BALANCE 12/31/98
Buildings & improvements	\$ 19,575			\$ 19,575
Automotive	11,000			11,000
Office equipment	7,177			7,177
Maintenance equip.	38,180			38,180
Gas System	250,941			250,941
Land	1,000			1,000
<b>Totals</b>	<b>\$327,873</b>	<b>\$</b>	<b>\$</b>	<b>\$327,873</b>

**NOTE #5: BOARD FEES**

Gas Utility District for the year ended December 31, 1998 paid the following fees to Board members:

Members	1998	
	Meetings	Amount
Dwayne Barrell	12	\$ 900
Barille Hollins	12	900
Bobby Ross, President	12	1,000
Shirley Hensley	12	750
Earl Ravenhall, Jr.	12	900
Calvin Matthews	12	900
Mary Alice Sims	12	900
Iris Jeline	12	900
Judy Brown	12	900
		<b>\$ 8,100</b>

**NOTE #6: VACATION, SICK LEAVE AND RETIREMENT**

Employees earn ten (10) days of sick leave. Unused sick leave can be carried forward to the following year; however, employees will not be paid for sick time if they quit or are terminated. Therefore, no accrual for sick leave has been made.

There was no unpaid vacation or accrued salaries as of December 31, 1998.

**Gas Utility District No. 1  
of East Feliciana Parish  
Notes to the Financial Statements  
December 31, 1998**

**NOTE #6: VACATION, SICK LEAVE AND RETIREMENT (CONTINUED)**

The Gas Utility District is a participant in the Federal Social Security Plan. This plan calls for employee contributions of 7.65% of earnings and employer matching contributions of 7.65%. The Gas Utility District contributed \$9,818 for the year ended December 31, 1998.

**NOTE #7: SEGMENT INFORMATION FOR ENTERPRISE FUND**

Gas Utility District No. 1 of East Feliciana Parish provides natural gas to rural areas in the parish. Segment information for the year ended December 31, 1998 is as follows:

	<u>1998</u>
Operating Revenues	\$ <u>128,139</u>
Depreciation Expense	<u>7,061</u>
Net Income (Loss)	<u>(10,100)</u>
Property, Plant and Equipment	
Additions	<u>0</u>
Deletions	<u>0</u>
Net Working Capital	<u>89,110</u>
Total Assets	<u>101,854</u>
Bonds and Other Long- Term Liabilities	<u>0</u>
Total Equity	\$ <u>100,432</u>

**NOTE #8: CONCENTRATION OF CREDIT RISK**

The District sells natural gas to customers in East Feliciana Parish, Louisiana. Future sales are subject to future supply which could fluctuate.

SUPPLEMENTAL INFORMATION

**PHIL T. GRAHAM**

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February 16, 1993

ACCOUNTANT'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners of  
Gas Utility District No.1 of  
East Feliciana Parish

My report on my compilation of the basic general purpose financial statements of Gas Utility District No. 1 of East Feliciana Parish for 1992 appears on page 1. A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the financial statements and, accordingly, do not express an opinion or any other form of assurance on them. The information included in the accompanying Schedules on Pages 13 and 14 is presented only for supplementary analysis purposes. Such information has been compiled from information that is the representation of management without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.



GAS UTILITY DISTRICT NO. 1  
OF EAST PULASKI COUNTY  
SUPPLEMENTAL INFORMATION  
STATISTICAL DATA  
DECEMBER 31, 1956

SCHEDULE OF MCF PURCHASES, SALES AND OTHER CUSTOMER DATA

	1956	
	LOSS	AMOUNT
Gas sales	21,422	\$198,139
Gas purchases	23,422	100,774
Gas losses	6.84	2,000
Gas losses accounted for		
Gas losses unaccounted for		

The average number of customers for the year ending December 31, 1956, was 154.

SCHEDULE OF RESIDENTIAL BILLING RATES (PER MCF)

	1956
First MCF per month	\$ 11.89
Over 1 mcf	.79 per 1/10

See accountant's report on supplementary information.

GAS UTILITY DISTRICT NO. 1  
 SUPPLEMENTAL INFORMATION  
 FIVE YEAR COMPARATIVE DATA

	CORRECTED		AUDITED		
	12-31-98	12-31-99	12-31-94	12-31-95	12-31-92
Gas Sales	\$198,139	\$179,479	\$169,423	\$187,367	\$174,817
Operating Expenses	(208,308) (12,170)	(188,918) (8,448)	(186,880) (16,137)	(183,537) 3,848	(188,333) 8,486
Nonoperating Revenues/ (Expenses)	1,887	1,931	1,867	3,831	879
Net Income (Loss)	(10,882)	(4,508)	(14,690)	7,471	2,363
Customers	284	404	358	418	424
Current Assets	\$100,922	\$ 87,315	\$ 89,131	\$100,913	\$ 78,829

See accountant's report on supplementary information.

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February 28, 1997

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING ASKED-UPON PROCEDURES**

Gas District Number 1 of  
East Feliciana Parish  
Hillman, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Gas District Number 1 of East Feliciana Parish and the legislative auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Gas District Number 1 of East Feliciana Parish's compliance with certain laws and regulations during and for the year ended December 31, 1996, included in the accompanying Louisiana Attestation questionnaires. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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 material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with RSA-88-18:2211-2295 (the public bid law).

There were no items in excess of these amounts.

2. Obtain from management a list of the immediate family members of each board member as defined by RSA-88-42:1101-1124 (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.

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

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (2) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (2)) appeared on the list provided by management in agreed-upon procedure (2) except for Earl Kovercraft, Sr who was an employee before his appointment to the board and is trained in the operation of the system. Since his appointment to the board he only fills in for the full time employee when there is an emergency. This arrangement was approved by the other board members.

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

A budget is not required for a proprietary fund.

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

Not Applicable.

7. Compare the revenues and expenditures of the fiscal budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Not Applicable.

#### Accounting and Disbursements

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

- a. Trace payments to supporting documentation as to proper amount and payee:

I examined supporting documentation for each of the six selected disbursements

and found that payment was for the proper amount and made to the correct payee.

- b. Determine if payments were properly coded to the correct fund and general ledger accounts:

All items selected were properly coded.

- c. Determine whether payments received approval from proper authorities:

Inspection of documentation supporting each of the six selected disbursements indicated approval from the President of the Board of Commissioners. In addition, each of the disbursements were traced to the District's minute book where they were approved by the full commission.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LA-MS 43:1 through 43:13 (the open meetings law):

Gas Utility District #1 is only required to post a notice of each meeting and the accompanying agenda on the date of the District's office building. Copies of these notices do not indicate the date that they were posted, therefore, I did not find confirmation of the posting date other than unmarked copies of the notices and agendas.

#### Bank

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 inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

#### Advances and Expenses

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.

I inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of Sen District Number 1 of East Feliciana Parish's office and of 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. However, this report is a matter of public record and its distribution is not limited.