

GAS UTILITY DISTRICT NO. 1  
OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2014

*Minda B. Raybourn*

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

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014**

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Member

AICPA

Member

LCPA

To the Board Members of the  
Gas Utility District No. 1 of East Feliciana Parish  
PO Box 39  
Wilson, LA 70789

Management is responsible for the accompanying financial statements of the business-type activities of Gas Utility District No. 1 of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended December 31, 2014, and related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted the management's discussion and analysis and budget comparison schedule 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with respect to Gas Utility District No. 1 of East Feliciana Parish.



Minda Raybourn, CPA

Franklinton, LA

May 2, 2019

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

<u>ASSETS</u>	<u>Business- type Activities</u>
Current Assets:	
Cash and cash equivalents	11,449
Accounts receivable, net of allowance for doubtful accounts	10,730
Unbilled receivables	4,317
Prepaid expenses	<u>1,973</u>
Total Current Assets	<u>28,470</u>
Restricted Assets:	
Restricted Cash	5,527
Restricted Investments	<u>16,414</u>
Total Restricted Assets	<u>21,940</u>
Other Assets:	
Land	1,050
Building/improvements	19,575
Equipment	108,923
Gas system	250,941
Vehicles	12,366
Less: Accumulated depreciation	<u>-351,248</u>
Total Other Assets	<u>41,608</u>
Total Assets	<u>92,018</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>0</u>

See accountant's compilation report and accompanying notes to the financial statements.

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

**LIABILITIES**

Current Liabilities:

Payable from current assets:

Bank overdraft	4,750
Accounts and other payables	13,656

Total Current Liabilities ( Payable from Current Assets)	18,406
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Payable from restricted assets:

Customer deposits	21,566
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Total Current Liabilities (Payable from Restricted Assets)	21,566
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Total Current Liabilities/Total Liabilities	39,972
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**DEFERRED INFLOWS RESOURCES**

-

**NET POSITION**

Net investment in capital assets	41,608
Restricted for customer deposits	21,940
Unrestricted	(11,502)

Total Net Position	52,046
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See accountant's compilation report and accompanying notes to the financial statements.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2014**

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	<u>Business-type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for services:	
Gas sales	185,715
<u>OPERATING EXPENSES</u>	
Salary-non board members	53,578
Payroll Expense	3,090
Payroll Taxes FICA	4,099
Salary-Board Member	7,230
Salary-Contract Labor	2,609
Advertising & Promotion	180
Bank Service Charges	175
Bad Debt	5,296
Cell Phone Service	495
Continued Education	1,350
Credi Card Expense	47
Depreciation Expense	16,035
Drug Testing/Employees	315
Gas Card -vehicles	5,659
Insurance Expense	5,267
Meter Supplies	77
New Lines	8,447
One Call 811	307
Operations-Natural Gas Purchase	81,845
Office Supplies	3,130
Postage	1,593
Repairs & Maintenance	11,977
Lawn & Ground Expense	780
Telephone	2,060
Meals & Entertainment	4
Utilities-Electricity	1,446
Utilities-Water	240
Security	270
Miscellaneous	2,094
Total Operating Expenses	219,695
Operating Income (Loss)	-33,980
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest earned	20
Total Non-Operating Revenues (Expenses)	20
Change in Net Position	-33,960
Total Net Position, beginning	86,006
Total Net Position, ending	52,046

See accountant's compilation report and accompanying notes to the financial statements.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2014**

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	<u>Business-type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 200,099
Cash paid to suppliers for goods and services	(135,457)
Cash paid to employees for services	(60,808)
Net Cash Provided by (Used for) Operating Activities	3,834
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash received from grantors	-
Net Cash Used for Non-Capital Financing Activities	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	-
Net Cash Provided by Capital and Related Financing Activities	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Transfer of funds to operations	-
Interest received	20
Net Cash Provided by Investing Activities	20
Net Decrease in Cash and Cash Equivalents	3,854
Cash and Cash Equivalents, beginning	13,121
Cash and Cash Equivalents, ending	16,975
Cash and Cash Equivalents Consist of the Following:	
Unrestricted Cash	11,449
Restricted Cash	5,527
Total Cash and Cash Equivalents	16,975

See accountant's compilation report and accompanying notes to the financial statements.

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
STATEMENT OF CASH FLOWS (Continued)  
YEARS ENDED DECEMBER 31, 2014

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RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	Business-type <u>Activities</u>
Operating loss	\$ (33,980)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	16,035
(Increase) decrease in assets:	
Accounts receivable	17,255
Unbilled receivables	(2,182)
Prepaid expenses	-
Increase (decrease) in liabilities:	
Accounts payable	4,251
Bank overdraft	34
Payroll taxes payable	1,086
Customer deposits	<u>\$ 1,335</u>
Net Cash Provided by (Used for) Operating Activities	<u>3,834</u>

See accountant's compilation report and accompanying notes to the financial statements.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

INTRODUCTION

The Gas Utility District No. 1 of East Feliciana Parish (hereinafter referred to as the District) was incorporate on March 13, 1962, as allowed under the provisions of Louisiana Revised Statue 415 of the Acts of Louisiana of 1960. It is governed by a board of nine members whose appointments are made by the East Feliciana Parish Police Jury. The District was created to provide gas services to the rural residents of the northwestern part of the East Feliciana Parish.

The District has two full-time and one part-time employee. It serves an average of 283 customers with over 42 miles of gas distribution lines.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practices of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to requirements of Louisiana Revised Statue 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting polices:

**Financial Reporting Entity:** Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the East Feliciana Parish Police Jury is the financial reporting entity for East Feliciana Parish. The District is considered a component unit of the East Feliciana Parish Police Jury because the Police Jury appoints a voting majority of the District's governing body and its services are rendered within the Police Jury's boundaries. The accompanying financial statements present information only on the fund(s) maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

**Fund Accounting:** The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*Proprietary Funds* – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the District include the following fund types:

1. Enterprise – account for operation (a) 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 periodic determination of revenues earned expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Basis of Accounting/Measurement Focus:** In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless the measurement focus applied. The fund statements of the District are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciation, and long-term debt is reported.

**Operating/Non-Operating Revenues:** Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the District's gas services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

**Cash and Cash Equivalents:** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the District may deposit fund in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under laws of the United States.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Investments:** Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB, investments are recorded at fair value, based on quoted market prices, with corresponding increase or decrease reported in investment earnings.

**Receivables:** Customers are billed monthly for their gas usage, aged by 30-day increments if the full balance isn't paid. An allowance is provided for estimated losses based on management's estimate of unrecoverable customer accounts at year-end. The District's billing cycle extends into the subsequent year. An estimate for unbilled gas services is calculated at year-end based on the gas billed in the immediate subsequent period and the number of days of gas usage through the last day of the fiscal year. This amount is recorded separately on the accompanying financial statements.

**Inventory:** Inventory is stated at cost. It includes various supplies and parts used to maintain its gas distribution system. It is recorded at lower of cost or market utilizing the average cost valuation. Gas in the District's lines is expensed when purchased. The amount remaining in the lines at any given time is not material to the accompanying financial statements and, therefore, not included in inventory.

**Prepaid Expenses:** Prepaid expenses include payments for insurance coverage with expiration dates extending beyond December 31, 2014. This amounted to \$1,973 at year-end.

**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 those estimates.

**Capital Assets:** Capital assets are recorded at cost and do not purport to represent replacement or realizable values. The cost of depreciable property is charged to earnings over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense 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. Depreciation is computed using the straight-line method of depreciation over the following lives - gas system 10-50 years; furniture/equipment - 5-10 years; and buildings 5-20 years.

**Compensated Absences:** Vested or accumulated vacation leave is recorded as both a fund liability and operating expense in the year earned. In accordance with the provisions of Statements of Financial Standards No. 43, *Accounting for Compensated Absences*, no

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

liability is recorded for non-vesting accumulated rights to receive sick pay benefits or vacation leave. There were no compensated absences at December 31, 2014.

**Net Position:** In the statement of net position, the difference between a government’s assets, deferred outflows of resources and liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

*Net Investment in Capital Assets*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvements of capital assets.

*Restricted Net Position*

Net position that is reserved by external sources such as banks or by law are reported separately as restricted net position. When assets are required to be retained in perpetuity, the resulting non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.

*Unrestricted Net Position*

This category represents net position not appropriate for expenditures or legally segregated for a specific use.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The cash and cash equivalents on hand (book balances) of the District are as follows:

Petty cash	\$	41
Interest-bearing demand deposits		4,277
Non-interest bearing demand deposits		<u>7,131</u>
Total	\$	<u>11,449</u>

Deposits are stated at cost, which approximates market. Under state law, they 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 must all times equal the amount on deposit with the fiscal agent. The 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.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statements No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited fund upon demand. With the adoption of GASB

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The District has no deposits exposed to such risk.

NOTE 3 – INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the municipality or its agent in the municipality's name;
2. Uninsured or unregistered, with securities held by the counter-party's trust department or agent in the municipality's name, or
3. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the municipality's name.

All investments of the District fall within category 1. The balances at year-end are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Carrying Amount</u>
Certificates of deposit	<u>\$ 16,414</u>	<u>\$ 16,414</u>	<u>\$ 16,414</u>

Of this amount \$16,414 is restricted for customer deposits.

NOTE 4 – ACCOUNTS RECEIVABLE

The net receivables at December 31, 2014, are as follows:

<u>Class of Receivables</u>	
Trade (including unbilled of \$4,318)	\$ 22,944
Allowance for bad debts	<u>(7,896)</u>
Net	<u>\$ 15,048</u>

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital Assets, not being depreciated				
Land	1,050	-	-	1,050
Capital Assets, being depreciated				
Gas distribution system	250,941	-	-	250,941
Less: accumulated depreciation	245,799	5,142	-	250,941
Net Building and Improvements	5,142	(5,142)	-	0
Equipment	108,923	-	-	108,923
Less: accumulated depreciation	57,473	10,892	-	68,365
Net Equipment	51,450	(10,892)	-	40,558
Vehicles	12,366	-	-	12,366
Less: accumulated depreciation	12,366	-	-	12,366
Net Vehicles	-	-	-	-
Buildings and improvements	19,575	-	-	19,575
Less: accumulated depreciation	19,575	-	-	19,575
Net Building and Improvements	-	-	-	-
Total Capital Assets, being depreciated, net	56,592	(16,034)	-	40,558
Capital Assets, net	57,642	(16,034)	-	41,608

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payable at December 31, 2014, are as follows:

<u>Class of Payable</u>		
Trade	\$	10,322
Bank overdraft		4,750
Payroll and related		3,334
Customer Deposits		<u>21,566</u>
Total		<u><u>39,972</u></u>

NOTE 7 – LEASES

*Operating Leases.* The District does not have any operating leases.

*Capital Leases.* The District does not have any capital leases.

NOTE 8 – VACATION AND SICK LEAVE

The District's employees earn vacation and sick time at a rate of 10 days per year. They may not carry unused leave into the subsequent period, but sick leave may accrue without limitation. Unused sick leave is not paid upon termination.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

The District does not provide post-employment benefits.

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 11 – COMMITMENTS AND CONTINGENCIES

*Concentration of Credit Risk:* The District sells natural gas to customers in the northwestern part of East Feliciana Parish, Louisiana. Sales are subject to future demand in that area.

NOTE 12 – SUBSEQUENT EVENTS

There were no events between the close of the year through May 2, 2019, the date on which the financial statements were available for issuance that would materially impact these basic financial statements.

# SUPPLEMENTARY INFORMATION

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
STATISTICAL DATA  
YEARS ENDED DECEMBER 31, 2014

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<i>Summary of Sales</i>	<u>Gas Sales</u> <u>in MCFs</u>
<u>Month</u>	
January	2,598
February	2,494
March	1,442
April	817
May	346
June	344
July	286
August	267
September	270
October	363
November	1,169
December	1,123

Average No. of Customers 283

Total MCFs of Gas Sold 11,518

Total Gas Sales \$ 185,715

*Summary of Residential Billing Rates (Pre MCF)*

Availability Charge \$12.50 + Cost of Gas + .675/hundred cubic feet

*Summary of Purchases*

Total MCFs Purchased 13,718

Total Gas Purchases \$ 81,845

*Summary of Losses*

Total Gas Losses	2,200
Losses Accounted For	2,200
Losses Unaccounted For	-

See accountant's compilation report.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
COMPARATIVE DATA  
YEARS ENDED DECEMBER 31, 2014  
(Unaudited)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
SUMMARY OF STATEMENT OF REVENUES						
Operating revenues	\$ 185,715	\$ 180,229	\$ 139,826	\$ 172,272	\$ 197,989	\$ 194,750
Operating expenses	<u>219,695</u>	<u>185,053</u>	<u>162,298</u>	<u>203,386</u>	<u>196,645</u>	<u>191,463</u>
Operating income (loss)	\$ (33,980)	\$ (4,824)	\$ (22,472)	\$ (31,114)	\$ 1,344	\$ 3,287
Non-operating revenues (expenses)	<u>20</u>	<u>60,030</u>	<u>555</u>	<u>621</u>	<u>872</u>	<u>1,360</u>
Net Income (Loss)	<u>(33,960)</u>	<u>55,206</u>	<u>(21,917)</u>	<u>(30,493)</u>	<u>2,216</u>	<u>4,647</u>

OTHER DATA

Current assets	\$ 28,470	\$ 58,238	\$ 32,434	\$ 43,968	\$ 58,161	\$ 88,312
Average no. of customers	283	298	295	604	304	312

See accountant's compilation report.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS  
YEARS ENDED DECEMBER 31, 2014**

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<u>Board Member</u>	<u>Amount Paid</u>
Judy Brown	900
Jimmy Garig	900
Julius Kennerson	900
Charlie Minor	900
Leola Moore	900
Earl Ravencraft	900
Bobby Ross	1,080
Eunice Brown	900
Sonja Terrell	<u>900</u>
Total Per Diem Paid to Governing Members	<u><u>8,280</u></u>

See accountant's compilation report.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
YEARS ENDED DECEMBER 31, 2014**

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<u>Board Member</u>	<u>Amount Paid</u>
Bobby Ross	1,080
Total Per Diem Paid to Governing Members	<u><u>1,080</u></u>

See accountant's compilation report.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2014**

**2014-001 Compliance with Audit Law**

Criteria: Per state audit law, compiled financial statements must be submitted to the Louisiana Legislative Auditor within six months of the entity's fiscal year.

Condition: The deadline was not met for the year ended December 31, 2014.

Cause: The entity did not submit the accounting information until December 2018 to the accountant for compiling the report. Upon request, information was not submitted until January and February 2019.

Effect: The District was noncompliant with state audit law.

Recommendation: The District needs to have all accounting information within 2 months after the close of the fiscal year so that proper time can be allowed for the compilation procedures and reporting.

Management's Response: We agree with the recommendation.

**2014-002 Internal Controls over Utility and Accounting System**

Criteria: There must be strong internal controls over utility collections and reporting. Reporting must be done daily so that daily collections and deposits will balance with the utility billing system. Month end reporting must be done so that the receivables, billings, collections, and adjustments can be balance against the accounting system. Bank reconciliations must be performed monthly in a timely manner.

Condition: The District does not have an adequate accounting system or general ledger. The general ledger was compiled December 2018, four years after the close of the fiscal year end. Inquiries of monthly reporting revealed no balancing of the accounts receivable. Bank accounts were not reconciled. The accounting records consist of ledger sheets written in pencil listing the checks written.

Cause: Unknown.

Effect: The District does not have good internal controls over the utility billing system and accounting system.

Recommendation: I recommend the District hire a bookkeeper to ensure that bank accounts are reconciled, utility billing and collections are reconciled, computer general financial statements are prepared, and to provide information timely for the required year end reporting.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH  
WILSON, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2014**

**2013-001 Compliance with Audit Law**

Criteria: Per state audit law, compiled financial statements must be submitted to the Louisiana Legislative Auditor within six months of the entity's fiscal year.

Condition: The deadline was not met for the year ended December 31, 2013.

Cause: Unknown.

Effect: The District was noncompliant with state audit law.

Recommendation: The District needs to have all accounting information within 2 months after the close of the fiscal year so that proper time can be allowed for the compilation procedures and reporting.

Management's Response: We agree with the recommendation.

Status: Not resolved.