

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**

Donaldsonville, Louisiana

**FINANCIAL REPORT**

August 31, 2012

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**  
Donaldsonville, Louisiana

**TABLE OF CONTENTS**

August 31, 2012

	<u><b>Exhibit</b></u>	<u><b>Page</b></u>
<b>INDEPENDENT AUDITORS' REPORT</b>		1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>		3
<b>FINANCIAL STATEMENTS</b>		
Statement of Net Assets	A	7
Statement of Revenues, Expenses and Changes in Net Assets	B	8
Statement of Cash Flows	C	9
Notes to Financial Statements	D	10
<b>SPECIAL INDEPENDENT AUDITORS' REPORTS</b>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		21
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>		24
<b>SUMMARY OF PRIOR YEAR FINDINGS</b>		29
<b>SUPPLEMENTARY FINANCIAL SCHEDULES</b>		
Water Customers (Without Audit)		30
Insurance in Force (Without Audit)		31
Board of Directors (Without Audit)		32



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Ascension Consolidated Utilities District No. 1  
Donaldsonville, Louisiana

We have audited the accompanying financial statements of **ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1** (a component unit of the Parish of Ascension) as of and for the year ended August 31, 2012, as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1** as of August 31, 2012, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2012, on our consideration of **ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

(continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The accompanying supplementary financial schedules on pages 30 - 32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information has not been audited by us, and accordingly, we express no opinion on this information.



Certified Public Accountants

Baton Rouge, Louisiana  
November 30, 2012

# ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1

Donaldsonville, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of **ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1's (District)** financial performance provides a narrative overview and analysis of the District's financial activities for the fiscal year ended August 31, 2012. Please read it in conjunction with the District's basic financial statements, which begin on page 7.

### FINANCIAL HIGHLIGHTS

1. Cash decreased by \$757,000 during the year primarily related to expenditures incurred for construction of capital assets and payments on related debt.
2. Charges for services decreased by \$7,000 during 2012 due to reduced consumption.
3. The District's operating expenses remained consistent to the prior year. Excluding depreciation and amortization expense, the District had operating income of approximately \$50,000.
4. During 2012, the District experienced financial problems related to:
  - a. There is a shortfall of funding to conclude the construction project including litigation with certain construction vendors.
  - b. Non-compliance with debt agreements, including insufficient cash position to meet debt sinking and reserve requirements which results in technical default on loans.
  - c. Lack of operating profitability.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. Government 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:

- Management's discussion and analysis (MD&A)
- Statement of net assets
- Statement of revenues, expense, and changes in net assets
- Statement of cash flows
- Notes to the financial statements
- RSI other than MD&A, if applicable.

The District is a special purpose government formed by the Ascension Parish Council and is engaged in business-type activities.

## Enterprise Fund Financial Statements

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information to present the change in the District's financial condition for the current year's operations. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and their changes. Net assets – the difference between assets and liabilities – are a measure of the financial position of the District. Increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating, non-capital financing activities, capital and related financing activities, and investing activities.

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's net assets decreased by approximately \$196,000 during the 2012 fiscal year. A summary of the net assets for the two years and the changes in net assets of the District's business-type activities is as follows:

#### **ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1 STATEMENT OF NET ASSETS (In thousands)**

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Current and other assets	\$ 468	\$ 1,210	(61)
Capital assets	<u>8,515</u>	<u>8,215</u>	<u>4</u>
Total assets	<u>8,983</u>	<u>9,425</u>	<u>(58)</u>
Long-term debt outstanding	-	5,462	(100)
Other liabilities	<u>6,098</u>	<u>882</u>	<u>591</u>
Total liabilities	<u>6,098</u>	<u>6,344</u>	<u>(4)</u>
Net assets	<u>\$ 2,885</u>	<u>\$ 3,081</u>	<u>(54)</u>
Components of Net Assets:			
Invested in capital assets, net of related debt	\$ 3,216	\$ 2,753	17
Restricted for debt service	185	533	(65)
Unrestricted net assets (deficit)	<u>(516)</u>	<u>(205)</u>	<u>(152)</u>
Total net assets	<u>\$ 2,885</u>	<u>\$ 3,081</u>	<u>(200)</u>

The decrease in net assets of the District is primarily attributable to \$240,000 of depreciation and amortization expense. Net assets are the amounts invested in capital assets (water system, equipment, etc.) net of related debt, net assets restricted for debt service requirements, and unrestricted net assets (deficits), which are the accumulation of income from the inception of operations of the District, which were (\$516,537) and (205,078) at the end of 2012 and 2011, respectively. Income and expense activity for 2012 and 2011 is as follows:

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**  
**CHANGES IN NET ASSETS**  
(In thousands)

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Operating revenues:			
Charges for services	\$ 501	\$ 508	(1)
Expenses:			
Operating	450	487	(8)
Depreciation	235	189	24
Amortization	<u>8</u>	<u>8</u>	-
Total expenses	<u>693</u>	<u>684</u>	<u>1</u>
Non-operating:			
Ad valorem taxes	241	243	(1)
Capital grants and contributions	-	600	(100)
Interest, net	<u>(245)</u>	<u>(242)</u>	<u>1</u>
Total non-operating	<u>(4)</u>	<u>601</u>	<u>(101)</u>
Change in net assets	<u>\$ (196)</u>	<u>\$ 425</u>	<u>(146)</u>

The District's operating revenues decreased by 1%, or approximately \$6,500, due to reduced consumption of water throughout the year. Expenses increased by 1%, which was primarily related to the increase in depreciation of capital assets.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

At August 31, 2012 and 2011, the District had \$8,515,371 and \$8,215,652, respectively, invested in capital assets including water lines and related equipment cost, net of accumulated depreciation. Additional information about the District's capital assets is presented in Note 6 to the financial statements.

### Debt

At August 31, 2012, the District owed approximately \$30,000 to the Parish of Ascension and \$26,000 to the Community Resource Group, Inc. In addition, the District had outstanding water revenue bonds of approximately \$5,243,000 related to the construction of the water distribution system. Additional information about the District's debt is presented in Note 7 to the financial statements.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's customers, creditors and the general public with an overview of the District's finances and to show the District's accountability for the revenues and other funding it receives. If you have any questions about this report or need additional information, contact Ronald Julien, Chairman, Ascension Consolidated Utilities District No. 1 at P.O. Box 1038, Donaldsonville, Louisiana 70346 or (225) 473-4497.



**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**

Donaldsonville, Louisiana

**STATEMENT OF NET ASSETS**

August 31, 2012

**ASSETS****CURRENT**

## Cash

Unrestricted	\$ 13,937
--------------	-----------

Restricted for construction	9,617
-----------------------------	-------

Accounts receivable, net	70,098
--------------------------	--------

Other	<u>1,722</u>
-------	--------------

Total current assets	95,374
----------------------	--------

**RESTRICTED ASSETS, cash**

Debt service	184,895
--------------	---------

Meter deposits	41,262
----------------	--------

<b>DEFERRED CHARGES, net</b>	145,630
------------------------------	---------

<b>CAPITAL ASSETS, net</b>	<u>8,515,371</u>
----------------------------	------------------

Total assets	<u>\$ 8,982,532</u>
--------------	---------------------

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Accounts payable and accrued liabilities	\$ 23,328
--	-----------

Contracts payable	676,478
-------------------	---------

Accrued interest payable	57,735
--------------------------	--------

Debt obligations	<u>5,299,257</u>
------------------	------------------

Total current liabilities	6,056,798
---------------------------	-----------

<b>PAYABLE FROM RESTRICTED ASSETS - CUSTOMER DEPOSITS</b>	<u>41,262</u>
---	---------------

Total liabilities	<u>6,098,060</u>
-------------------	------------------

**NET ASSETS (DEFICIT)**

Invested in capital assets, net of related debt	3,216,114
---	-----------

Restricted for debt service	184,895
-----------------------------	---------

Unrestricted net assets (deficit)	<u>(516,537)</u>
-----------------------------------	------------------

Total net assets	<u>2,884,472</u>
------------------	------------------

Total liabilities and net assets	<u>\$ 8,982,532</u>
----------------------------------	---------------------

The accompanying notes to financial statements  
on Exhibit D are an integral part of this statement.

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**

Donaldsonville, Louisiana

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS**

For the year ended August 31, 2012

**OPERATING REVENUES**Charges for services \$ 500,839**OPERATING EXPENSES**Depreciation and amortization 242,791Cost of water 175,575Personnel 164,341Repairs and maintenance 29,198Professional services 23,977Office 23,481Insurance 13,387Utilities 7,077Director fees 5,175Management fees 650Miscellaneous 7,206Total operating expenses 692,858Operating loss (192,019)**NON-OPERATING**Ad valorem taxes 241,440Interest income 365Interest expense (245,457)Total non-operating (3,652)Decrease in net assets (195,671)**NET ASSETS**Beginning of the year 3,080,143End of the year \$ 2,884,472

The accompanying notes to financial statements  
on Exhibit D are an integral part of this statement.

# ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1

Donaldsonville, Louisiana

## STATEMENT OF CASH FLOWS

For the year ended August 31, 2012

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 494,332
Payments to suppliers	(179,489)
Payments for operating expenses	<u>(355,411)</u>
Net cash used by operating activities	<u>(40,568)</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Ad valorem tax collections	<u>241,440</u>
----------------------------	----------------

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Construction and acquisition of capital assets	(542,510)
Net receipts of customer deposits	2,050
Payments on long-term debt	(164,145)
Interest paid on capital debt, net of interest income	<u>(245,092)</u>
Net cash used by capital and related financing activities	<u>(949,697)</u>

Net decrease in cash	(748,825)
----------------------	-----------

### CASH, including restricted cash

Beginning of the year	<u>998,536</u>
End of the year	<u><u>\$ 249,711</u></u>

### RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES

Operating loss	\$ (192,019)
Adjustments for non-cash items:	
Depreciation and amortization	242,791
Change in operating assets and liabilities:	
Increase in accounts receivable and other assets	(5,843)
Decrease in accounts and contracts payable	<u>(85,497)</u>
Net cash used by operating activities	<u><u>\$ (40,568)</u></u>

The accompanying notes to financial statements  
on Exhibit D are an integral part of this statement.

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**  
Donaldsonville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and operations**

The Ascension Consolidated Utilities District No. 1 (District) was created by the Parish of Ascension, Louisiana to provide for distribution of water to citizens residing in the western portion of Ascension Parish. The District is a component unit of the Parish of Ascension. The District was created in August 2000, and began operations with the consolidation of the existing Waterworks District Nos. 1, 4, and 7 of the Parish of Ascension, Louisiana on June 7, 2001.

**Basis of presentation**

The accompanying component unit financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting entity**

The District is a component unit of the Parish of Ascension, the financial reporting entity. The Parish of Ascension is financially accountable for the District because it appoints a voting majority of the Board and has the ability to impose its will on the District.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish of Ascension, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

(continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial statements**

The District's financial statements comply with Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.*" This statement provides that special purpose governments engaged 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:

- Management's discussion and analysis (MD&A)
- Statement of net assets
- Statement of revenues, expenses, and changes in net assets
- Statement of cash flows
- Notes to the financial statements
- RSI other than MD&A, if applicable

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

**Fund accounting**

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net assets (deficit), and revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**Basis of accounting**

GASB Statement No. 34 established standards for external reporting for all state and local government entities which includes a statement of net assets, statement of revenues, expenses and changes in net assets, and statement of cash flows. It requires the classification of net assets into three components - 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. These classifications are defined as follows:

**Invested in capital assets, net of related debt** - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted for debt service** - This component of net assets represents the cash transfers and balances for reserve and contingency requirements of the water revenue bonds (Note 7).

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of accounting (continued)**

**Unrestricted net assets** - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District accounts for its activities on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the District are included in the balance sheet. The District uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund financial statements to the extent that they do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so.

Ad valorem taxes are recorded in the year the taxes are assessed, which is on a calendar year basis, becoming due on November 15<sup>th</sup> of each year, and becoming delinquent after December 31<sup>st</sup>. The taxes are generally collected in December, January and February of each fiscal year.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the District are water sales to residential and commercial users. Operating expenses for the District include the cost of water, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

**Fair value of financial instruments**

The carrying value of cash, accounts receivable, deferred charges and operating liabilities approximate fair value due to the short-term maturity of these instruments.

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

**Cash**

Cash includes amounts in demand deposit accounts and interest bearing demand deposit accounts. Under state law, the District may deposit funds in demand deposit and interest bearing demand deposit accounts with banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. For purposes of the statement of cash flows, the District considers cash in bank accounts as cash. The District has no cash equivalents at August 31, 2012. Cash, for the purposes of the statement of cash flows, consists of the following:

<u>Cash</u>	<u>Amount</u>
Unrestricted	\$ 13,937
Restricted for construction	9,617
Restricted for debt service	184,895
Meter deposits	<u>41,262</u>
Total cash	<u>\$ 249,711</u>

**Restricted assets**

Restricted assets on the balance sheet represent funds held for meter deposits, debt service, and cash restricted for construction.

**Accounts receivable**

Accounts receivable represent amounts owed to the District from customer water usage. The allowance for doubtful accounts is based on historical data and management's assessment of the collectability of accounts receivable. The District requires a deposit from its customers as collateral. Accounts over 60 days past due at August 31, 2012 totaled \$6,202 and is included in the allowance for doubtful accounts.

**Capital assets**

Property is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

**Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District renewed its commercial insurance policy in 2011 to include coverage of the two new water towers.

**Net asset deficit and net working capital deficit**

At August 31, 2012, the unrestricted net asset deficit totaled \$516,537. Additionally, the District had a net working capital deficit of \$5,961,424.



## **NOTE 2 - GOING CONCERN**

The District's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The District incurred operating losses for 2012 and 2011 of \$192,019 and \$176,169, respectively.

Management has indicated that it plans to continue efforts to enhance the District's financial position by doing the following:

- Issuing bonds to fund construction fund shortfall.
- Selling certain assets to the Parish of Ascension via a cooperative endeavor agreement.
- Settle disputed amounts with its construction vendors for less than amounts owed.
- Expand the customer base and/or increase user rates to increase operating income.

In November 2012, the District informed the Ascension Parish Council and administration of the current financial situation. The Parish and District formulated a plan that addresses these matters that includes the items above along with the Parish providing financial support and administration.

The ability of the District to continue as a going concern is dependent on the success of these actions. While plans for addressing operations and financial position issues are based on forward-looking events, management believes the effects of these actions will allow improvement to operating performance and financial position. Management expects these improvements and others to continue and anticipates future operating results will allow it to meet its obligations for the foreseeable future.

The financial statements do not include any adjustments relating to the recoverability of recorded asset or liability amounts that might be necessary should the District be unable to continue as a going concern.

## **NOTE 3 - CASH**

The District may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the fiscal agent financial institution. As of August 31, 2012, the District's entire bank balances totaling \$254,137 were secured by FDIC coverage and pledged securities of \$1,286,502.



**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The property tax calendar is as follows:

Millage Rates Adopted	September 20, 2011
Levy Date	September 20, 2011
Due Date	November 15, 2011
Lien Date	January 1, 2012
Collection Dates	December 1, 2011 to February 29, 2012

For the year ended August 31, 2012, taxes of 10 mills on property valued at \$28,738,720 were levied to provide additional funding for the operations and expansion of the water distribution system. Total taxes levied and collected were \$241,440. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectable when assessment rolls are filed on or before November 15 of the current year, and become delinquent thereafter. There were no amounts delinquent as of August 31, 2012.

**NOTE 5 - DEFERRED CHARGES**

The District incurred bond issuance costs of \$146,743 and \$30,370 related to the 2007 and 2010 water utility revenue bonds, respectively (Note 7), which have been capitalized and are being amortized over the life of the bonds. Accumulated amortization at August 31, 2012 was \$31,483, and amortization expense was \$8,219 for the year.

**NOTE 6 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended August 31, 2012, is as follows:

	Balance at 9/1/2011	Increase	Decrease	Balance at 8/31/2012
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 475,169	\$ -	\$ 475,169
Land	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Capital assets being depreciated:				
Water distribution system	8,718,199	59,120	-	8,777,319
Computer software	3,346	-	-	3,346
Equipment	77,418	-	-	77,418
Less: accumulated depreciation	<u>(588,311)</u>	<u>(234,572)</u>	<u>-</u>	<u>(822,881)</u>
Capital assets being depreciated, net	<u>8,210,652</u>	<u>(175,452)</u>	<u>-</u>	<u>8,035,202</u>
Total net	<u>\$ 8,215,652</u>	<u>\$ 299,717</u>	<u>\$ -</u>	<u>\$ 8,515,371</u>

Depreciation is determined on the straight-line method based on a useful life of 40 years for the water system, five years for the equipment and three years for computer software. Depreciation expense for the year ended August 31, 2012 was \$234,572. The District had capitalized \$551,705 in interest on debt used in the construction of the water system expansion as of August 31, 2012.

**NOTE 7 - DEBT OBLIGATIONS**

The District's debt consisted of loans from the Parish of Ascension (the governing entity), Community Resource Group and Revenue Bonds. Debt transactions for the year ended August 31, 2012 are as follows:

	Balance at 9/1/2011	Additions	Deletions	Balance at 8/31/2012
2010 Revenue bonds	\$ 700,000	\$ -	\$ (28,000)	\$ 672,000
2007 Revenue bonds	4,340,000	-	(120,000)	4,220,000
2004 Revenue bonds	379,375	-	(5,204)	374,171
Related party loan	36,117	-	(6,000)	30,117
Community Resource Group	30,879	-	(4,941)	25,938
Bond discount	<u>(24,103)</u>	<u>-</u>	<u>1,134</u>	<u>(22,969)</u>
	<u>\$ 5,462,268</u>	<u>\$ -</u>	<u>\$ (163,011)</u>	<u>\$ 5,299,257</u>

Non-cash transactions relating to long-term debt obligations include the amortization of \$1,134 on the bond discount.

**NOTE 7 - DEBT OBLIGATIONS (CONTINUED)**

**Debt noncompliance**

During 2012, the District's cash positions restricted for debt sinking and reserve funds was insufficient to satisfy compliance requirements in debt agreements. As such, the District was in default on its debt making the amounts outstanding callable. As a result, all debt has been reported as currently due as of August 31, 2012.

The District is coordinating with the Parish to develop a plan to identify funding to reestablish cash accounts at amounts that satisfy debt requirements.

**Outstanding debt**

Debt obligations for the District at August 31, 2012, are comprised of the following:

	<u>Amount</u>
2010 Water Revenue Bonds	\$ 672,000
2007 Water Revenue Bonds	4,220,000
\$402,500 Water Revenue Bonds secured by a pledge and dedication of water revenues, due in monthly installments of \$1,847 through June 14, 2044; interest at 4.50%.	374,171
\$90,177 Ascension Parish loan unsecured and non-interest bearing due in annual installments of \$6,000 through 2017.	30,117
\$50,000 Community Resource Group loan unsecured and due in monthly installments of \$553 through February 2017; interest at 5.9%.	25,938
Bond discount (2007 series)	(22,969)
Total long-term debt from business-type activities	<u>\$ 5,299,257</u>

**2010 Revenue Bonds**

On January 1, 2010, the District issued \$1,000,000 of revenue bonds secured by water revenues for construction and acquisition of improvements to the water distribution system. The bond issue consisted of \$300,000 of Series 2010A and \$700,000 of Series 2010B. The Series 2010A consisted of funds derived under the American Recovery and Reinvestment Act of 2009 and were immediately deemed forgiven. The Series 2010B bonds have an interest rate of 2.95% and mature between December 1, 2011 and December 1, 2030.

## NOTE 7 - DEBT OBLIGATIONS (CONTINUED)

## 2007 Revenue Bonds

On December 1, 2007, the District issued \$4,455,000 of revenue bonds secured by water revenues for construction of Phase III of the water distribution system. The bond issue consisted of \$3,035,000 of serial bonds and \$1,420,000 of term bonds. The serial bonds have interest rates from 4-5% and mature annually between December 1, 2010 and December 1, 2027. The term bonds have interest rates of 5.5% and mature annually between December 1, 2028 and December 1, 2032. All term bonds are subject to mandatory redemption in prescribed amounts before the maturity dates.

Assuming outstanding debt is not called early due to non-compliance described above, the annual requirements to amortize debt outstanding at August 31, 2012, are as follows:

Year	Loans		Revenue Bonds		Total Long-term debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 11,241	\$ 1,390	\$ 158,444	\$ 237,857	\$ 169,685	\$ 239,247
2014	11,559	1,072	164,694	231,675	176,253	232,747
2015	11,896	735	170,955	225,219	182,851	225,954
2016	12,253	378	176,229	218,444	188,482	218,822
2017	9,106	49	182,515	211,291	191,621	211,340
2018-2022	-	-	1,039,348	932,185	1,039,348	932,185
2023-2027	-	-	1,285,752	679,860	1,285,752	679,860
2028-2032	-	-	1,571,524	339,509	1,571,524	339,509
2033-2037	-	-	388,260	46,252	388,260	46,252
2038-2042	-	-	91,707	19,142	91,707	19,142
2043-2046	-	-	36,743	1,512	36,743	1,512
	<u>\$ 56,055</u>	<u>\$ 3,624</u>	<u>\$ 5,266,171</u>	<u>\$ 3,142,946</u>	<u>\$ 5,322,226</u>	<u>\$ 3,146,570</u>

## Bond Restrictions

## Water Revenue Bonds – Series 2004, 2007 and 2010

These bonds are a direct liability of the District to be serviced by the earnings of the District. In accordance with the indentures governing Water Utility Revenue Bonds, Series 2004, 2007 and 2010, cash is periodically deposited into accounts administered by the trustee bank, as follows:

1. The Water Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as the bonds are outstanding. Transfers are required to be made on a monthly basis to designated trust accounts. In addition, the bonds require the use of a separate construction account.

**NOTE 7 - DEBT OBLIGATIONS (CONTINUED)**

1. The Water Revenue Bonds Sinking Fund requires monthly fund transfers from the Water System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. At August 31, 2012, the balance required was \$133,403.
2. The 2004 Water Revenue Bond Reserve Fund requires monthly transfers of \$93 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. These funds are restricted to payment of principal and interest in case of default. At August 31, 2012, the balance required was \$6,789.

The 2007 Water Revenue Bond Reserve Fund required a transfer of the proceeds from the bond issuance proceeds of \$334,440.

The 2010 Water Revenue Bond Reserve Fund required a transfer of the proceeds from the bond issuance proceeds of \$48,143.

3. The 2004 Water Depreciation and Contingency Fund require monthly transfers of \$93. The 2007 and 2010 Water Depreciation and Contingency Funds require a balance equal to five percent of the annual debt service payment. The Funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Water Revenue Bond Fund and Water Revenue Bond Reserve Fund. At August 31, 2012, the balance required was \$6,789, \$10,389, and \$2,583, respectively.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**Suppliers**

The District has entered a bulk water sales agreement through December 2015 with a water supplier to purchase a minimum of 1,000,000 gallons of water per month at a stipulated rate which is adjusted annually based on the Consumer Price Index (CPI). Currently, the District is paying \$2.29 per 1,000 gallons of water purchased.

The District has a bulk water sales agreement through June 2014 with another water supplier to purchase a minimum of 1,000,000 gallons of water per month at a stipulated rate which is adjusted annually based on the Consumer Price Index (CPI). Currently, the District is paying a minimum of \$1,870 per month and \$1.87 per 1,000 gallons for amounts over 1,000,000 up to 5,000,000 gallons and \$1.76 per 1,000 gallons for amounts in excess of 5,000,000 gallons per month.

**Environmental contingencies**

Management of the District is not aware of any unrecorded material environmental commitments or contingent environmental liabilities. Environmental contingencies have been mitigated by testing of the water systems on a regular basis and providing the test results to the proper environmental authorities.

**NOTE 9 - COMPENSATION OF BOARD MEMBERS**

Board member compensation during 2012 was as follows:

	Amount
Oliver Hooper	\$ 900
Harry Thibodaux	900
Billy Barrient	900
Thomas Walters	975
Ronald Julien	750
Kirk Delatte	750
Total compensation	\$ 5,175

**NOTE 10 - RELATED PARTIES**

During the 2003-2004 fiscal year, the District entered into an unsecured and non-interest bearing loan agreement with the Parish of Ascension for \$90,117. The loan was to assist with the completion of the water system for water delivery for Phase II of the District. As of August 31, 2012, the outstanding balance was \$30,117 (see Note 7).

**NOTE 11 - SUBSEQUENT EVENTS**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 30, 2012, the date the financial statements were available to be issued.

In November 2012, the District entered into a cooperative endeavor agreement with the Parish of Ascension for the purchase of moveable equipment for \$100,000. See Note 2.

**Special Independent Auditors' Reports**

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**

Donaldsonville, Louisiana

August 31, 2012





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Ascension Consolidated Utilities District No. 1  
Donaldsonville, Louisiana

We have audited the financial statements of **ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1 (District)** as of August 31, 2012 and for the year then ended, and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider 2012-1, 2012-2, 2012-3, 2012-4, and 2012-5 described in the accompanying schedule of findings and responses to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over financial reporting that we consider to be a significant deficiency, as defined above.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as items 2012-3 and 2012-4.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Faulk & Wihler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
November 30, 2012

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**  
Donaldsonville, Louisiana

**SCHEDULE OF FINDINGS AND RESPONSES**

August 31, 2012

**1) Summary of Auditors' Results:**

A) The type of report issued on the financial statements: **Unqualified opinion.**

B) Internal control over financial reporting:

Material weaknesses: **2012-1, 2012-2, 2012-3, 2012-4, and 2012-5.**

Significant deficiencies: **None.**

C) Noncompliance that is material to the financial statements: **2012-3 and 2012-4**

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **2012-1, 2012-2, 2012-3, 2012-4, and 2012-5.**

**2012-1 ACCOUNTING OVERVIEW**

**Observation:** During the audit of the District's financial statements, a significant number of closing journal entries were recorded. A summary of the entries recorded and the effect of those entries on the accounting records are as follows:

*Assets*

- Accounts receivable– several adjustments were recorded to reverse prior year accounts receivable and accrued earnings.
- Capital assets – an adjustment of \$67,000 was required to record depreciation expense.

*Accounts payable and other liabilities*

- Accounts payable and meter deposits –adjustments were recorded to accrue operating payables and meter deposit liabilities. Also, an adjustment was made to report unrecorded construction invoices of approximately \$475,000.
- Long-term debt –adjustments were recorded to reclassify debt payments that impacted earnings by \$14,000.

Accrual basis financial statements are presented to the Board monthly. The District is currently using a stand-alone billing system and a basic accounting software package with all related data being stored on one computer. While this system is capable of maintaining the current level of volume, the District should consider other software alternatives that can accommodate an increased volume of activity.

Additionally, the segregation of duties is not sufficient to have effective internal control over financial reporting, which is due to the limited number of employees involved in the accounting process. Personnel responsible for preparing and approving transactions also have the responsibility for recording and reconciling transactions in the accounting records.

**Recommendation:** We recommend the following:

- Provide accounting specific training to personnel responsible for maintaining accounting records, as the financial statements should be adjusted monthly to report operations and financial position accurately,
- Continue Board member review of the unopened bank statement and bank reconciliations,
- Development of procedures governing the approval and processing of all transactions of the District including requiring dual signature on all checks,
- The District should obtain an integrated accounting software package which would include components such as accounts payable, a customer information database, customer billings, meter deposits, bank reconciliations, general ledger and financial reporting, and budgeting capabilities.

Alternatively, as described in 2012-5, the District should consider consolidating accounting with the Parish Finance office. The District will experience cost savings as well as an increased effectiveness in the accounting effort currently needed.

**Management's corrective action plan:** Management agrees with the recommendation and intends to explore options to correct these deficiencies.

## 2012-2 FINANCIAL STATEMENT PREPARATION

**Observation:** The District relies on its auditor to assist in the preparation of the external financial statements and related disclosures. Under U.S. generally accepted auditing standards, the District's auditors cannot be considered part of the District's internal control structure; however, design of the internal control structure does not otherwise include procedures to prepare external financial statements and related disclosures in conformity with U.S. generally accepted accounting principles.

**Recommendation:** Since the District is satisfied with using its auditing firm to prepare the external financial statements, no change is recommended. However, this matter will continue to be reported.

**Management's corrective action plan:** Management understands that this finding results from professional standards that have been adopted by the accounting profession. The District generates financial information needed to effectively manage and plan operations in a timely manner and does not consider their current situation to be deficient. However, management will review the resources necessary to prepare financial statements in accordance with generally accepted accounting principles, with full footnote disclosures, to determine if it would represent responsible stewardship.

(continued)

### **2012-3 COMPLIANCE WITH DEBT RESTRICTION LAW**

**Observation:** LA R.S. 39:1410.60 – 1410.65 requires political subdivisions to receive approval from the State Bond Commission prior to issuing debt exceeding 90 days. The District has entered into two separate loan agreements without obtaining the approval of the State Bond Commission.

**Recommendation:** We recommend that all debt issued in excess of 90 days be submitted to the State Bond Commission for approval prior to issuance.

**Management's corrective action plan:** Management agrees with the recommendation, and has since received approval from the State Bond Commission regarding these two loans.

### **2012-4 DEBT COMPLIANCE**

**Observation:** We have the following observations:

- The District is required to segregate cash to satisfy sinking and reserve fund as stipulated in bond agreements. At August 31, 2012, the required cash on hand was insufficient to satisfy compliance with these debt provisions by approximately \$358,000.
- The reserve funds were used to pay construction and debt service costs during 2012 which depleted funds below required levels.

**Recommendation:** We recommend that all debt service reserve and sinking funds be restored to required levels to comply with debt agreements.

**Management's corrective action plan:** Management agrees with the recommendation and intends to correct these deficiencies.

### **2012-5 FINANCIAL MANAGEMENT**

**Observation:** The District is experiencing financial stress regarding funding debt service obligations for 2012 and prospectively. The stress has resulted from:

- Noncompliance with debt service sinking and reserve fund requirements.
- The District's construction project was underfunded.
- Significant issues with a multi-year construction project that includes: a) inaccurate construction budget, b) construction delays, and c) dispute over construction and design.
- Amounts in dispute with construction contractors that are potentially owed approximate \$676,000.
- Permanent decrease of approximately \$57,000 for property tax revenue.
- Anticipated on-going revenue is insufficient to support operations, including debt service.
- Leadership of the District has not implemented actions to address these matters.

**Recommendation:** These matters are severe. The lack of an executed action by the District is a concern for both the District and Ascension Parish Council. We recommend that the Parish assume financial administration of the District to ensure that appropriate action is taken to resolve these issues in a timely manner. The following actions are also recommended:

### **District actions**

The District should consider the following actions:

- 1) **Revenue enhancement.** The District needs to address the loss of property taxes. In particular, the District needs to enhance rates charged for water distribution to generate additional revenue. A rate increase approaching 50% may be necessary if revenue enhancement is the only action taken.

Additionally, the District could consider an enhancement to the millage (10 mills) currently in place. However, any increase to the millage would require voter approval.

- 2) **Customer additions.** The District may consider adding customers, particularly large volume commercial users, to generate revenue through either a) adding customers to existing water distribution lines, or b) acquisition of plant from other water providers, but subject to appropriate due diligence.
- 3) **Consider expense reductions.** In particular, the District could review its water supply contracts and/or personnel for opportunities to reduce expenses since these are the largest cash disbursements made.
- 4) **Refinance debt.** The District's largest debt has an outstanding balance of approximately \$4.1 million at December 1, 2012 with interest rates ranging from 4.1% to 5.5% and maturing at varying amounts over the next 20 years. The District may consider refinancing this debt for more attractive rates and/or a longer term that would reduce annual debt service requirements. Additionally, the District could consider satisfying the debt service reserve through the acquisition of an insurance policy rather than a cash reserve. This alternative should be reviewed the Parish bond counsel.

### **Parish actions**

The Parish should consider the following actions:

- 1) The resolution of the matters reported above requires financial leadership and should be led by the Parish's administration.
- 2) The Parish should consider entering into a cooperative endeavor/management agreement to administer the financial affairs of the District to ensure these matters are resolved timely.
- 3) The Parish considers an appropriate form of financial support to stabilize the District's ability to continue to provide water service to Parish citizens.

**Management's corrective action plan:** Management agrees with the recommendation and intends to explore options to correct these deficiencies.

Furthermore, the District and Parish have taken the following action:

- 1) In December 2012, the District approved a rate increase of 20% that is expected to produce approximately \$100,000 in additional revenue.
- 2) The Parish is assuming management of the operations, including financial processing, of the District effective January 15, 2013. As such, the Parish will:
  - a. Managing day-to-day operations of the District.
  - b. Process all financial transactions of the District, including debt service management.
  - c. Purchase bonds issued by the District. The proceeds will be used to bring the District into debt compliance, retire two small debt obligations and escrow cash to ensure debt payments are made in December 2013.
  - d. Developed a plan that reduced operating expenses that is expected to provide sufficient funds to meet the District's operating and debt service obligations.
  - e. Currently implementing actions that will provide funding to fulfill debt service reserve requirements and bring the District into compliance with debt agreements.
- 3) The Parish will participate in the settlement of the amounts in dispute with construction contractors which is expected to resolve this matter.

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**  
Donaldsonville, Louisiana

**SUMMARY OF PRIOR YEAR FINDINGS**

August 31, 2012

**2011-1 ACCOUNTING OVERVIEW**

**Prior Year Observation:**

This finding has been reclassified at finding 2012-1.

**2011-2 FINANCIAL STATEMENT ADMINISTRATION**

**Prior Year Observation:**

This finding has been reclassified at finding 2012-2.

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**  
Donaldsonville, Louisiana

**WATER CUSTOMERS**

August 31, 2012  
(Without Audit)

Records maintained by the District indicated the number of residential, commercial, and industrial users for the water system at August 31, 2012 were as follows:

Residential	676
Commercial	28
Industrial	5

At August 31, 2012, the District was charging residential customers a \$15.50 base fee per month for the first 2,000 gallons and \$5.70 for each additional thousand gallons of water consumed. Commercial customers were charged a \$59.10 base fee for the first 10,000 gallons and \$5.28 for each additional thousand gallons of water consumed. Industrial customers were charged a \$270 base fee for the first 50,000 gallons and \$5.06 for each additional thousand gallons of water consumed.



**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO.1**  
**SCHEDULE OF INSURANCE IN FORCE**

August 31, 2012  
(Without Audit)

Issuer	Type of Insurance	Limit Description	Coverage	Effective Dates	
Arthur J. Gallagher Of LA Inc.	Commercial General Liability	General Aggregate Limit (Other than Products-Completed Operations)	\$ 3,000,000	7/10/11-7/10/12	
		Products & Completed Operations Aggregate Limit	3,000,000	7/10/11-7/10/12	
		Personal & Advertising Injury Limit	1,000,000	7/10/11-7/10/12	
		Each Occurrence Limit	1,000,000	7/10/11-7/10/12	
		Damage To Premises Rented Limit (any one premises)	100,000	7/10/11-7/10/12	
		Medical Expense Limit (any one person)	5,000	7/10/11-7/10/12	
	Automobile Liability	Combined Single Limit	1,000,000	7/10/11-7/10/12	
		General Aggregate Limit	500,000	7/10/11-7/10/12	
		General Aggregate Limit	1,000,000	7/10/11-7/10/12	
	Property and Inland Marine	General Aggregate Limit	500,000	7/10/11-7/10/12	
		General Aggregate Limit	1,000,000	7/10/11-7/10/12	
		Commercial General Liability	General Aggregate Limit (Other than Products-Completed Operations)	\$ 3,000,000	7/10/12-7/10/13
			Products & Completed Operations Aggregate Limit	3,000,000	7/10/12-7/10/13
Automobile Liability	Personal & Advertising Injury Limit	1,000,000	7/10/12-7/10/13		
	Each Occurrence Limit	1,000,000	7/10/12-7/10/13		
	Damage To Premises Rented Limit (any one premises)	100,000	7/10/12-7/10/13		
	Medical Expense Limit (any one person)	5,000	7/10/12-7/10/13		
	Combined Single Limit	1,000,000	7/10/12-7/10/13		
Property and Inland Marine	General Aggregate Limit	1,500,000	7/10/12-7/10/13		
	General Aggregate Limit	1,000,000	7/10/12-7/10/13		
	Terrorism	1,000,000	7/10/12-7/10/13		

**ASCENSION CONSOLIDATED UTILITIES DISTRICT NO. 1**

**BOARD OF DIRECTORS**

August 31, 2012  
(Without Audit)

Billy Barrient  
32502 Hwy 943 South  
Donaldsonville, Louisiana 70346  
Phone # (225) 473-6212

Kirk Delatte  
2435 St. Simon Place  
Donaldsonville, Louisiana 70346  
Phone # (225) 717-0363

Oliver Hooper, Jr.  
3127 Ceaser Lane  
Donaldsonville, Louisiana 70346  
Phone # (225) 473-2752

Ronald Julien  
35488 Ovide Road  
Donaldsonville, Louisiana 70346  
Phone # (225) 926-3449

Harry Thibodaux  
1453 Millien Rd.  
Donaldsonville, Louisiana 70346  
Phone # (225) 473-7767

Thomas Walters  
3325 Hwy. 18  
Donaldsonville, LA 70346  
Phone # (225) 473-0115