

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

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2012**

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

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**MARY SUE STAGES, CPA
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*Louisiana Society of Certified Public Accountants
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Association of Governmental Accountants
Governmental Audit Quality Control Center*

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board Members of the
Gas Utility District No. 1 of East Feliciana Parish
P. O. Box 39
Wilson, Louisiana 70789

We have reviewed the accompanying financial statements of the business-type activities of the Gas Utility District No. 1 of East Feliciana Parish, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management of the Gas Utility District No. 1 of East Feliciana Parish. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Gas Utility District No. 1 of East Feliciana Parish is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

The accompanying supplementary information, as listed in the table of contents under supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the procedures applied in the review of the basic financial statements and was compiled from information that is the representation of management, without audit or review. We do not express an opinion or provide any assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 30, 2013, on the results of our agreed-upon procedures.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
August 30, 2013

BASIC FINANCIAL STATEMENTS

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2012**

	<u>Business-type Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 11,800.56
Accounts receivable, net of allowance for doubtful accounts of \$2,600	14,846.43
Unbilled receivables	4,119.74
Prepaid expenses	1,667.55
	32,434.28
Total Current Assets	
Restricted Assets:	
Investments	20,329.09
Other Assets:	
Investments	15,946.02
Land	1,050.00
Building/improvements	19,574.94
Equipment	51,404.27
Gas system	250,941.24
Vehicles	12,366.20
Less: Accumulated depreciation	(321,370.21)
	29,912.46
Total Other Assets	
	82,675.83
Total Assets	
	82,675.83
DEFERRED OUTFLOWS OF RESOURCES	
	-

Continued

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2012**

	<u>Business-type Activities</u>
LIABILITIES	
Current Liabilities:	
Payable from current assets:	
Accounts payable	\$ 6,866.84
Total Current Liabilities (Payable from Current Assets)	6,866.84
Payable from restricted assets:	
Customer deposits	20,329.09
Total Current Liabilities (Payable from Restricted Assets)	20,329.09
Total Current Liabilities/Total Liabilities	27,195.93
DEFERRED INFLOWS OF RESOURCES	
	-
NET POSITION	
Net investment in capital assets	13,966.44
Restricted for customer deposits	20,329.09
Unrestricted	21,184.37
Total Net Position	55,479.90

See Accompanying Notes and Independent Accountants' Review Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2012**

	<u>Business-type Activities</u>
OPERATING REVENUES	
Charges for services:	
Gas sales	\$ 139,826.22
 OPERATING EXPENSES	
Administrative	22,262.37
Depreciation	7,764.23
Employee and related expenses	75,266.94
Occupancy	5,803.11
Personal services	<u>51,201.18</u>
Total Operating Expenses	<u>162,297.83</u>
Operating Loss	(22,471.61)
 NON-OPERATING REVENUES (EXPENSES)	
Interest earned	<u>555.09</u>
Change in Net Position	(21,916.52)
Net Position, beginning	<u>77,396.42</u>
Net Position, ending	<u><u>55,479.90</u></u>

See Accompanying Notes and Independent Accountants' Review Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 150,347.10
Cash paid to suppliers for goods/services	(78,727.25)
Cash paid to employees for services	(75,266.94)
Net Cash Used for Operating Activities	<u>(3,647.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(3,108.23)
Net Cash Used for Capital and Related Financing Activities	<u>(3,108.23)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfer of funds to operations	5,000.00
Interest received	19.93
Net Cash Provided by Investing Activities	<u>5,019.93</u>
Net Decrease in Cash and Cash Equivalents	(1,735.39)
Cash and Cash Equivalents, beginning of year	<u>13,535.95</u>
Cash and Cash Equivalents, end of year	<u><u>11,800.56</u></u>

Continued

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED DECEMBER 31, 2012**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	\$ (22,471.61)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	7,764.23
(Increase) decrease in assets:	
Accounts receivable	10,031.31
Prepaid expenses	(232.59)
Increase (decrease) in liabilities:	
Accounts and other payables	772.00
Customer deposits	489.57
	<hr/>
Net Cash Used for Operating Activities	<u><u>(3,647.09)</u></u>

See Accompanying Notes and Independent Accountants' Review Report

NOTES TO FINANCIAL STATEMENTS

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
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DECEMBER 31, 2012**

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**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

INTRODUCTION

The Gas Utility District No. 1 of East Feliciana Parish (hereinafter referred to as the District) was incorporated on March 13, 1963, as allowed under the provisions of Louisiana Revised Statute 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 East Feliciana Parish.

The District has two full-time and one part-time employee. It serves an average of 295 customers with over 42 miles of gas distribution lines.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 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 policies:

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 funds to report on its financial position and the results of its operations. Fund accounting is designed 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:

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

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

funds of the District include the following fund types:

1. Enterprise – account for operations (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 of 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 depreciated, 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 funds 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 the laws of the United States.

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 Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 of the District 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, 2012. This amounted to \$1,667.55 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 Statement of Financial Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits or vacation leave. There were no compensated absences at December 31, 2012.

Net Position: In the statements 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 improvement of capital assets.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 – CASH AND CASH EQUIVALENTS

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

Petty cash	\$ 40.50
Demand deposits	20.71
Interest-bearing demand deposits	7,454.04
Money market savings	<u>4,285.31</u>
 Total	 <u>11,800.56</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 at all times 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.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement 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 funds upon demand. With the adoption of GASB 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 and 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.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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	\$ 36,275.11	\$ 36,275.11	\$ 36,275.11

Of this amount, \$20,329.09 is restricted for customer deposits.

NOTE 4 – RECEIVABLES

The net receivables at December 31, 2012, are as follows:

<u>Class of Receivables</u>	
Trade (including unbilled of \$4,119.74)	\$ 21,566.17
Allowance for bad debts	<u>(2,600.00)</u>
Net	<u>18,966.17</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 1,050.00	\$.00	\$.00	\$ 1,050.00
Capital Assets, being depreciated				
Gas distribution system	250,941.24	.00	.00	250,941.24
Less: accumulated depreciation	<u>235,534.00</u>	5,155.00	.00	<u>240,689.00</u>
Net Distribution System	15,407.24	(5,155.00)	.00	10,252.24
Equipment	48,296.04	3,108.23	.00	51,404.27
Less: accumulated depreciation	<u>48,296.04</u>	444.03	.00	<u>48,740.07</u>
Net Machinery & Equipment	.00	2,664.20	.00	2,664.20
Vehicles	12,366.20	.00	.00	12,366.20
Less: accumulated depreciation	<u>10,201.00</u>	2,165.20	.00	<u>12,366.20</u>
Net Vehicles	2,165.20	(2,165.20)	.00	.00

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Building and improvements	19,574.94	.00	.00	19,574.94
Less: accumulated depreciation	19,574.94	.00	.00	19,574.94
Net Building and Improvements	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Capital Assets, being depreciated, net	<u>17,572.44</u>	<u>(4,656.00)</u>	<u>.00</u>	<u>12,916.44</u>
Capital Assets, net	<u>18,622.44</u>	<u>(4,656.00)</u>	<u>.00</u>	<u>13,966.44</u>

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payables at December 31, 2012, are as follows:

<u>Class of Payable</u>	
Trade	\$ 6,866.84
Customer deposits	<u>20,329.09</u>
Total	<u>27,195.93</u>

NOTE 7 – LEASES

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

Capital Leases. The District has no 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
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 issuance of this report that would materially impact these basic financial statements.

SUPPLEMENTARY INFORMATION

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2012**

	<u>Business-Type Activities</u>
ADMINISTRATIVE	
Billing expenses	\$ 1,466.03
Board meetings/travel	13,623.27
Office and supplies	3,135.11
Professional fees	4,037.96
Total Administrative	<u>22,262.37</u>
DEPRECIATION	7,764.23
EMPLOYEE AND RELATED EXPENSES	
Health insurance	3,614.88
Payroll taxes	7,862.06
Salaries and wages	62,269.00
Workers' compensation	1,521.00
Total Employee and Related Expenses	<u>75,266.94</u>
OCCUPANCY	
Insurance	1,117.45
Telephone	3,001.26
Utilities	1,684.40
Total Occupancy	<u>5,803.11</u>
PERSONAL SERVICES	
Gas purchases	35,555.36
Maintenance and repairs - vehicles/equipment	2,583.31
Maintenance and repairs - gas system	13,062.51
Total Personal Services	<u>51,201.18</u>
TOTAL OPERATING EXPENSES	<u><u>162,297.83</u></u>

See Independent Accountants' Review Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATISTICAL DATA
YEAR ENDED DECEMBER 31, 2012**

Summary of Sales

<u>Month</u>	<u>No. of Customers</u>	<u>Gas Sales in MCFs</u>
January	303	1,495
February	303	1,337
March	301	780
April	301	423
May	295	311
June	292	307
July	289	336
August	290	307
September	290	296
October	291	747
November	289	1,636
December	296	1,004

Average No. of Customers 295

Total MCFs of Gas Sold 8,979

Total Gas Sales \$ 139,826.22

Summary of Residential Billing Rates (Pre MCF)

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

Summary of Purchases

Total MCFs Purchased 9,066

Total Gas Purchases \$ 35,555.36

Summary of Losses

Total Gas Losses	87.00
Losses Accounted For	87.00
Losses Unaccounted For	-

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED DECEMBER 31, 2012**

<u>Board Member</u>	<u>Amount Paid</u>
Judy Brown	\$ 750.00
Jimmy Garig	900.00
Julius Kennerson	900.00
Charlie Minor	900.00
Leola Moore	900.00
Earl Ravencraft	900.00
Bobby Ross	1,080.00
Eunice Smiley	900.00
Sonja Terrell	<u>900.00</u>
Total Per Diem Paid to Governing Members	<u><u>8,130.00</u></u>

See Independent Accountants' Review Report

**GAS UTILITY DISTRICT NO.1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
COMPARATIVE DATA
DECEMBER 31, 2012
(Unaudited)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>SUMMARY OF STATEMENT OF REVENUES</u>					
Operating revenues	\$ 139,826	\$ 172,272	\$ 197,989	\$ 194,750	\$ 221,925
Operating expenses	<u>162,298</u>	<u>203,386</u>	<u>196,645</u>	<u>191,463</u>	<u>229,356</u>
Operating income (loss)	(22,472)	(31,114)	1,344	3,287	(7,431)
Non-operating revenues (expenses)	<u>555</u>	<u>621</u>	<u>872</u>	<u>1,360</u>	<u>682</u>
Net Income (Loss)	<u>(21,917)</u>	<u>(30,493)</u>	<u>2,216</u>	<u>4,647</u>	<u>(6,749)</u>

OTHER DATA

Current assets	\$ 32,434	\$ 43,968	\$ 58,161	\$ 88,312	\$ 79,801
Average no. of customers	295	304	304	312	313

See Independent Accountants' Review Report

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board Members of the
Gas Utility District No. 1 of East Feliciana Parish
P. O. Box 390
Wilson, Louisiana 70789

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Gas Utility District No. 1 of East Feliciana Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended December 31, 2012, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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 \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures in excess of \$20,000 for material and supplies or \$100,000 for public works made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 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 us 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 us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) 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 in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management is not required to adopt an annual budget – it is a proprietary fund.

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

N/A

7. Compare the revenues and expenditures of the final budget to actual expenditures to determine if actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total.

N/A

Accounting and Reporting

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

- (a) trace payments to supporting documentation as to proper amount and payee;

We 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 account;
and

All six of the payments were coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Board president.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted.

Debt

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.

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

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

A reading of the minutes of the Board for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances that would indicate payments to employees that would constitute bonuses, advances or gifts.

The prior year report, dated June 20, 2012, did not include and findings or management comments.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and 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. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
August 30, 2013

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2012**

We have reviewed the financial statements of the Gas Utility District No. 1 of East Feliciana Parish as of and for the year ended December 31, 2012, and have issued our report thereon dated August 30, 2013. We conducted our review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Our review did not result in any material modifications to the financial statements as of December 31, 2012.

Financial Statement Findings

2012.01 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 requires that reviewed financial statements be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to June 30th for the District.

Condition. This deadline was not met for the year ended December 31, 2012.

Impact. The District is not in compliance with applicable laws.

Recommendation. We recommend that the District make every attempt to comply with this requirement in the future.

Management's Response. We will work closely with our accountant to ensure that all information is timely provided.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2012**

Financial Statement Findings

2012.01 Compliance with Audit Law

Please refer to managements response in the schedule of findings and responses

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

Mary Sue Stages, CPA, APAC
P. O. Box 30
Baker, Louisiana 70704-0030

In connection with your review of our financial statements as of December 31, 2012, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of March 31, 2013.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations. We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Brenda J. LeBlanc Name 3/31/2013 Date

Signatures as applicable