

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH HOLDEN, LOUISIANA

FINANCIAL STATEMENTS, ADDITIONAL INFORMATION, INDEPENDENT AUDITORS' REPORT, AND OTHER REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

AS OF NOVEMBER 30, 1999 AND FOR THE YEAR THEN ENDED

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court. APR 1 9 2000 Release Date

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CERTIFIED PUBLIC ACCOUNTANTS

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GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH HOLDEN, LOUISIANA

FINANCIAL STATEMENTS SCHEDULES AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED NOVEMBER 30, 1999

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DEAN AND DEAN

11909 BRICKSOME AVE., SUITE W1 BATON ROUGE, LOUISIANA 70816 TELEPHONE: (225) 292-7554 FAX: (225) 292-7525

CERTIFIED PUBLIC ACCOUNTANTS

Donald A. Dean, CPA David P. Dean, CPA

INDEPENDENT AUDITORS' REPORT

March 23, 2000

The Board of Commissioners Gas Utility District No. One of Livingston Parish Holden, Louisiana

We have audited the accompanying financial statements of Gas Utility District No. One of Livingston Parish a component unit of the Livingston Parish Police Jury, as of November 30, 1999 and for the year then ended. These component unit financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in the <u>Governmental Auditing Standards</u> - <u>Standards for Audit of Governmental Organizations</u>, Programs, Activities, and Functions, issued by the United States General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit 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 component unit financial statements referred to above present fairly, in all material respects, the financial position of Gas Utility District No. One of Livingston Parish as of November 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Respectfully submitted,



Dean and Dean, CPA's

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH BALANCE SHEET NOVEMBER 30, 1999

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ASSETS	1999
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 889,243
Accounts Receivable (net of an allowance	
for doubtful accounts of \$15,327)	37,205
Inventory	-0-
Interest Receivable	5,600
TOTAL CURRENT ASSETS	932,048
RESTRICTED ASSETS	
Cash and Cash Equivalents	67,902
OTHER ASSETS	50

PLANT AND EQUIPMENT	210,602
TOTAL ASSETS	<u>\$ 1,210,602</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES: Current Liabilities: Accounts Payable	\$ 48,850
Payable from Restricted Assets - Customers' Meter Deposits	67,902
TOTAL LIABILITIES	116,752
FUND EQUITY: Retained Earnings: Unreserved Undesignated	1,093,850
TOTAL FUND EQUITY	1,093,850
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,210,602

The accompanying notes are an integral part of these statements.

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS FOR THE YEAR ENDED NOVEMBER 30, 1999

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	1999
OPERATING REVENUES:	
Gas Sales	\$ 308,396
Delinquent Charges	13,948
TOTAL OPERATING REVENUES	322,344
OPERATING EXPENSES:	
Gas Purchased	154,271
Contract Operator	75,772
Professional Service	22,431
Depreciation	14,750
Repairs and Maintenance	20,538
Commissioners Per Diem	13,725
Insurance	4,067
Utilities	2,262
Travel and Seminars	1,451
Other	5,353
TOTAL OPERATING EXPENSES	314,620
OPERATING INCOME (LOSS)	7,724
NON OPERATING REVENUES (EXPENSES)	
Interest Income	43,960
NET INCOME	51,684
RETAINED EARNINGS, BEGINNING	1,042,166
RETAINED EARNINGS, ENDING	<u>\$ 1,093,850</u>

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The accompanying notes are an integral part of these statements.

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH STATEMENT OF CASH FLOWS FOR THE YEAR ENDED NOVEMBER 30, 1999

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	1999
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss) from Operating Activities	\$ 7,724
Adjustments to Reconcile Net Income from	
Operating Activities to Net Cash	
Provided by Operating Activities	
Depreciation	14,750
Provision for Bad Debt	2,106
Increase in Accounts Receivable	(13,592)
Decrease in Inventory	16,038
Increase in Accounts Payable	17,079
Increase in Customer Meter Deposits	5,949
Net Cash Provided by Operating Activities	50,054
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	43,524
Net Cash Provided by Investing Activities	43,524
INCREASE IN CASH AND CASH EQUIVALENTS	93,578
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	863,567
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 957,145</u>

The accompanying notes are an integral part of these statements.

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 1999

A. THE UTILITY DISTRICT

Gas Utility District No. One of Livingston Parish (The District) was created November 10, 1961 by the Livingston Parish Police Jury, under Act 415 of the Acts of Louisiana for 1960 (Sec. 4301, et seq. of Title 33, La. Rev. Stat.). The District operates under a Board of Commissioners appointed by the Livingston Parish Police Jury. The District is the responsibility of the Livingston Parish Police Jury. The District only the financial activity of the District. Amounts included in these financial statements are also included in the Livingston Parish Police Jury's annual general purpose financial statements.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are carned and expenses in the accounting period in which they are incurred.

Depreciation

Depreciation of the plant and equipment has been provided in the accompanying financial statements using the straight-line method based on the expected useful lives of the components ranging from ten to thirty-three years.

Cash Equivalents

Cash Equivalents are considered to be all highly liquid investments with a maturity of three months or less when purchased. Under state law, the District may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts and certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Inventory

The District's only inventory is of Gas. Generally, the District purchases inventory gas in September or October before gas prices begin to rise in the winter. The inventory gas is used during the cold months when gas prices are highest and generally used up by the end of March. The District's gas inventory is recorded at lower of cost or market on a first-in, first-out basis.

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH HOLDEN, LOUISIANA NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 1999

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.

C. CASH AND CASH EQUIVALENTS

At November 30, 1999, the District had cash and cash equivalents of \$957,145, as follows:

Demand accounts	\$	6,953
Interest bearing demand accounts		89,439
Savings accounts		23,224
Certificates of Deposit	5	227 529

Conneates of Deposit

051,527

<u>\$957,145</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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 (GASB Category 3).

At November 30, 1999, the District's deposits were secured by \$383,251 of Federal Deposit Insurance and \$573,894 of pledged securities.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana 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 by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

D. RESTRICTED ASSETS

At November 30, 1999, restricted assets were held in certificates of deposit and demand deposit accounts and consisted of customers' meter deposits totaling \$67,902.

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH HOLDEN, LOUISIANA NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 1999

E. PLANT AND EQUIPMENT

Plant and equipment at November 30, 1999 is summarized as follows:

Utility Plant Equipment and Meters	\$ 810,070 59,572
Less Accumulated Depreciation	869,642 <u>(659,040</u>)
Net Plant and Equipment	\$ 210,602

F. RISK MANAGEMENT

The District carries commercial insurance for its only major categories of risk which are property and general liability. There have been no significant reductions in insurance coverage for the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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DEAN AND DEAN

11909 BRICKSOME AVE., SUITE W1 BATON ROUGE, LA 70816 TELEPHONE: (225) 292-7554 FAX: (225) 292-7525

CERTIFIED PUBLIC ACCOUNTANTS

Donald A. Dean, CPA David P. Dean, CPA

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

March 23, 2000

The Board of Commissioners Gas Utility District No. One of Livingston Parish Holden, Louisiana 70744

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental data is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Dean and Dean, CPA's

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Gas Utility District No. One of Livingston Parish

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Holden, Louisiana

Supplemental Data

November 30, 1999

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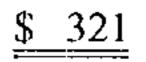
GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH STATISTICAL DATA FOR THE YEAR ENDED NOVEMBER 30, 1999

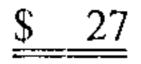
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	Amount	MCF
GAS SALES BILLED	<u>\$ 308,396</u>	45,780
GAS PURCHASED	<u>\$ 154,271</u>	49,395
DIFFERENCE IN MCFs		<u>(3,615</u>)
Number of Customers, November 30, 1999		<u>853</u>
Average Monthly Customers for Year		844
SALES:		

Average Per Customer Per Year





SCHEDULE OF RATES:

1st MCF Per Month (Min)9.00Over One MCF Per Month,6.50

PER DIEM PAYMENTS TO BOARD MEMBERS:

	For Meetings		For Days Worked	
	No. of		No. of	
	<u>Meetings</u>	Amount	_Days	Amount
Wilbert Hutchinson	28	\$ 2,100	20	\$ 1,500
John Hellmers	28	2,100	17	1,275
Johnny Johnson	27	2,025	4	300
Joseph Recile	27	2,025	3	225
Douglas Dean	27	2,025	2	150
		\$ 10,275		<u>\$ 3,450</u>

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OTHER REPORTS REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

11909 BRICKSOME AVE., SUITE W1 BATON ROUGE, LA 70816 TELEPHONE: (225) 292-7554 FAX: (225) 292-7525 Donald A. Dean, CPA David P. Dean, CPA

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

March 23, 2000

The Board of Commissioners Gas Utility District No. One of Livingston Parish Holden, Louisiana

We have audited the accompanying component unit financial statements of the Gas Utility District No. One of Livingston Parish as of and for the year ended November 30, 1999, and have issued our report thereon dated March 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.



The Board of Commissioners March 23, 2000

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the District, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



Dean and Dean, CPAs

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