

GAS UTILITY DISTRICT NO. 1
OF EAST FELICIANA PARISH
WILSON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

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

FOR THE YEAR ENDED DECEMBER 31, 2020

Accountant’s Compilation Report 3

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

Statement of Net Position 4
Statement of Revenues, Expenses, and Changes in Net Position 6
Statement of Cash Flows..... 7

**Notes to Financial
Statements.....9**

SUPPLEMENTARY INFORMATION

Schedule of Per Diem Paid to Board
Members.....18

Schedule of Compensation, Benefits and Other Payments to Agency
Head.....19

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA


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

Management is responsible for the accompanying financial statements of the business-type activities of Gas Utility District No. 1 of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended December 31, 2020, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted the management's discussion and analysis and budget comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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



Minda Raybourn, CPA
Franklinton, LA
July 12, 2021

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>ASSETS</u>	<u>Business- type Activities</u>
Current Assets:	
Cash and cash equivalents	15,196
Accounts receivable, net of allowance for doubtful accounts	23,638
Prepaid expenses	<u>-</u>
Total Current Assets	<u>38,834</u>
Restricted Assets:	
Restricted Cash	<u>18,006</u>
Total Restricted Assets	<u>18,006</u>
Other Assets:	
Land	1,050
Building/improvements	19,575
Equipment	108,923
Gas system	250,941
Vehicles	12,366
Less: Accumulated depreciation	<u>-391,805</u>
Total Other Assets	<u>1,050</u>
Total Assets	<u>57,890</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>

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

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020**

LIABILITIES

Current Liabilities:

Payable from current assets:

Accounts and other payables 12,512

Total Current Liabilities (Payable from Current Assets) 12,512

Payable from restricted assets:

Customer deposits 18,006

Total Current Liabilities (Payable from Restricted Assets) 18,006

Total Current Liabilities/Total Liabilities 30,518

DEFERRED INFLOWS RESOURCES

-

NET POSITION

Net investment in capital assets 1,050

Restricted for customer deposits 18,006

Unrestricted 8,316

Total Net Position 27,372

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

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Business-type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for services:	
Gas sales	159,818
<u>OPERATING EXPENSES</u>	
Payroll Expense	34,547
Payroll Taxes	5,932
Salary-Board Member	6,240
Other Contract Labor	2,297
Accounting	3,254
Bank Service Charges	6
Bad Debt	3,500
Cell Phone Service	516
Computer and Internet Expenses	727
Drug Testing/Employees	193
Gas Card -vehicles	2,896
Fines	3,250
Insurance Expense	6,746
Meter Supplies	598
Operations-Natural Gas Purchase	51,201
Office Supplies	1,092
Professional Expenses	18,940
Postage	1,340
Repairs & Maintenance	11,760
Lawn & Ground Expense	750
Telephone	2,726
Utilities-Electricity	1,879
Utilities-Water	345
Security	335
Miscellaneous	<u>98</u>
Total Operating Expenses	<u>161,168</u>
Operating Income (Loss)	-1,350
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest earned	<u>23</u>
Total Non-Operating Revenues (Expenses)	<u>23</u>
Change in Net Position	<u>-1,327</u>
Total Net Position, beginning	<u>28,699</u>
Total Net Position, ending	<u><u>27,372</u></u>

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

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 165,456
Cash paid to suppliers for goods and services	(108,742)
Cash paid to employees for services	(40,787)
Net Cash Provided by (Used for) Operating Activities	15,927
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from grantors	-
Net Cash Used for Non-Capital Financing Activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	-
Net Cash Provided by Capital and Related Financing Activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfer of funds to operations	-
Interest received	23
Net Cash Provided by Investing Activities	23
Net Decrease in Cash and Cash Equivalents	15,950
Cash and Cash Equivalents, beginning	17,252
Cash and Cash Equivalents, ending	33,202
Cash and Cash Equivalents Consist of the Following:	
Unrestricted Cash	15,196
Restricted Cash	18,006
Total Cash and Cash Equivalents	33,202

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

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020**

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	Business-type <u>Activities</u>
Operating loss	\$ (1,350)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	-
(Increase) decrease in assets:	
Accounts receivable	(23,962)
Unbilled receivables	-
Prepaid expenses	-
Increase (decrease) in liabilities:	
Accounts payable	27,649
Bank overdraft	-
Payroll taxes payable	1,590
Customer deposits	<u>12,000</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>15,927</u></u>

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

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

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

The District has two full-time and one part-time employee. It serves an average of 280 customers with over 42 miles of gas distribution lines.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of certain significant accounting polices:

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

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

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

1. Enterprise – account for operation (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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

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

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

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

Prepaid Expenses: Prepaid expenses include payments for insurance coverage with expiration dates extending beyond December 31, 2020.

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

Capital Assets: Capital assets are recorded at cost and do not purport to represent replacement or realizable values. The cost of depreciable property is charged to earnings over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for renewals and betterments are generally capitalized. When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. Depreciation is computed using the straight-line method of depreciation over the following lives - gas system 10-50 years; furniture/equipment - 5-10 years; and buildings 5-20 years.

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

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

liability is recorded for non-vesting accumulated rights to receive sick pay benefits or vacation leave. There were no compensated absences at December 31, 2020.

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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

Petty cash	\$	15
Interest-bearing demand deposits		15,180
Total		\$ 15,195

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 – INVESTMENTS

Investments are categorized into these three categories of credit risk:

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

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

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Carrying Amount</u>
Certificates of deposit	\$ 18,006	\$ 18,006	\$ 18,006

Of this amount \$18,006 is restricted for customer deposits.

NOTE 4 – ACCOUNTS RECEIVABLE

The net receivables at December 31, 2020, are as follows:

<u>Class of Receivables</u>	
Utility Accounts Receivable	\$ 27,138
Allowance for bad debts	<u>(3,500)</u>
Net	<u>\$ 23,638</u>

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital Assets, not being depreciated				
Land	1,050	-	-	1,050
Capital Assets, being depreciated				
Gas distribution system	250,941	-	-	250,941
Less: accumulated depreciation	250,941	-	-	250,941
Net Building and Improvements	0	-	-	0
Equipment	108,923	-	-	108,923
Less: accumulated depreciation	108,923	-	-	108,923
Net Equipment	-	-	-	-
Vehicles	12,366	-	-	12,366
Less: accumulated depreciation	12,366	-	-	12,366
Net Vehicles	-	-	-	-
Buildings and improvements	19,575	-	-	19,575
Less: accumulated depreciation	19,575	-	-	19,575
Net Building and Improvements	-	-	-	-
Total Capital Assets, being depreciated, net	0	-	-	0
Capital Assets, net	1,050	-	-	1,050

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The payables at December 31, 2020, are as follows:

<u>Class of Payable</u>		
Trade	\$	10,922
Bank overdraft		-
Payroll and related		1,590
Customer Deposits		<u>18,006</u>
Total		<u><u>30,518</u></u>

NOTE 7 – LEASES

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

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

NOTE 8 – VACATION AND SICK LEAVE

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

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

The District does not provide post-employment benefits.

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure.

GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 of December 31, 2020 through July 12, 2021, the date on which the financial statements were available for issuance that would materially impact these basic financial statements.

SUPPLEMENTARY INFORMATION

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Board Member</u>	<u>Amount Paid</u>
Judy Brown	225
Jimmy Garig	675
Julius Kennerson	375
Charlie Minor	675
Leola Moore	825
Bobby Ross	990
Eunice Smiley	825
Sonja Terrell	825
Yvonne Allen	<u>825</u>
Total Per Diem Paid to Governing Members	<u><u>6,240</u></u>

See accountant's compilation report.

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

FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Board Member</u>	<u>Amount Paid</u>
Bobby Ross	990
Total Per Diem Paid to Governing Members	<u>990</u>

See accountant's compilation report.