

EISNERAMPER

**GAS UTILITY DISTRICT NO. 1
OF WEST FELICIANA PARISH
St. Francisville, Louisiana**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

YEAR ENDED APRIL 30, 2023



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INDEPENDENT AUDITORS' REPORT

Board Members of the
Gas Utility District No. 1 of West Feliciana Parish
P. O. Box 2485
St. Francisville, Louisiana 70775

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Gas Utility District No. 1 of West Feliciana Parish (the District), as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of April 30, 2023, and the changes in financial position and cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 5 through 9, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Operating Expenses, the Schedule of Statistical Data, the Schedule of Comparative Data, the Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to the Superintendent, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedule of Operating Expenses, the Schedule of Statistical Data, the Schedule of Comparative Data, the Schedule of Compensation Paid to Board Members, and the Schedule of Compensation, Benefits and Other Payments to the Superintendent are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Insurance in Force and the Schedule of Information Required by Rural Development but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the District'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 solely 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
September 30, 2024

EISNERAMPER
LLP



GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2023

This section of the annual financial report of the District presents our discussion and analysis of the District's performance during the fiscal year ended April 30, 2023. It should be read in conjunction with the financial report taken as a whole.

FINANCIAL HIGHLIGHTS

- At April 30, 2023, the District's assets exceeded its liabilities by \$9,752,305.
- The District's net position had an increase of \$1,850,790 during the year ended April 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of these components - (1) management's discussion and analysis, (2) proprietary fund financial statements, (3) notes to the financial statements and (4) required supplementary information. There is also other supplementary information contained in this report provided for additional information.

Proprietary funds. The District maintains only one type of proprietary fund – an enterprise fund. Enterprise funds are used to report the functions financed and operated in a manner similar to private business 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. The District uses an enterprise fund to account for its gas services.

Statements include the following:

Statement of Net Position. This statement presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Revenues, Expenses and Changes in Net Position. This statement presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2023

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's comparison between the current and prior year contained in this section and referred to as management's discussion and analysis.

Other Information. Additionally, this report also presents certain other information that is deemed useful to users of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

Net position is an indicator of the District's financial position from year to year. A summary follows:

Condensed Statement of Net Position
As of April 30th

	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 4,167,624	\$ 4,605,170
Capital assets, net	<u>8,707,269</u>	<u>6,761,100</u>
Total Assets	12,874,893	11,366,270
Liabilities		
Current liabilities	447,836	733,975
Long-term liabilities	<u>2,674,752</u>	<u>2,730,780</u>
Total Liabilities	3,122,588	3,464,755
Net Position		
Net investment in capital assets	6,065,464	4,053,975
Restricted	2,052,684	1,868,580
Unrestricted	<u>1,634,157</u>	<u>1,978,960</u>
Net Position	<u>\$ 9,752,305</u>	<u>\$ 7,901,515</u>

The District's total net position increased by \$1,850,790 as of April 30, 2023. The District continued operating on a profitable basis as gas rates increased in 2023 compared to 2022 due to market conditions. In addition, the District acquired assets of \$1,369,011 due to a litigation settlement in 2023. These matters predominantly resulted in the increase of the District's total revenues of \$1,383,411 or 36.37% from the previous year. The District's total expenses saw a minimal increase of \$2,827 or 0.08% compared to 2022.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2023

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION
FOR THE YEAR ENDED APRIL 30TH

	<u>2023</u>	<u>2022</u>
Revenues		
Operating revenues	\$ 3,736,151	\$ 3,793,193
Non-operating revenues	<u>1,450,552</u>	<u>10,099</u>
Total Revenues	5,186,703	3,803,292
Expenses		
Operating expenses	3,222,418	3,216,886
Non-operating expenses	<u>113,495</u>	<u>116,200</u>
Total Expenses	3,335,913	3,333,086
Change in net position	1,850,790	470,206
Net position, beginning of year	<u>7,901,515</u>	<u>7,431,309</u>
Net position, ending of year	<u>\$ 9,752,305</u>	<u>\$ 7,901,515</u>

The District's total operating revenues in 2023 decreased by \$57,042 or 1.5% from 2022 as gas consumption decreased due to a warmer winter than the previous year. The District's total operating expenses increased slightly compared to 2022 by \$5,532.

Cash flow activity of the District for the past two years is as follows:

SUMMARY OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30TH

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents provided by (used in):		
Operating activities	\$ 633,305	\$ 1,371,869
Capital and related financing activities	(1,117,160)	(1,232,637)
Investing activities	<u>87,350</u>	<u>2,017</u>
Net change in cash and cash equivalents	(396,505)	141,249
Cash and cash equivalents, beginning of year	<u>2,516,183</u>	<u>2,374,934</u>
Cash and cash equivalents, end of year	<u>\$ 2,119,678</u>	<u>\$ 2,516,183</u>

The total cash provided by operating activities in 2023 compared to 2022 decreased by \$738,564 due to the increase in customer demand for gas along with the increase in gas prices. The total cash used for capital and related financing activities in 2023 decreased by \$115,477 compared to 2022 predominantly due to an increase in costs toward construction-in-progress during the fiscal period.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: At the end of 2023, the District had \$8,707,269, net of depreciation invested in a broad range of capital assets (See table below). This amount represents a net increase of \$1,946,169 or 28.8% from the previous year. The net increase is due to additions totaling \$2,207,356 and depreciation of \$261,187 which decreases the carrying value.

Capital assets at year-end are summarized as follows:

	CAPITAL ASSETS (Net of Accumulated Depreciation) AS OF APRIL 30 TH	
	<u>2023</u>	<u>2022</u>
Non-depreciable Assets		
Land	\$ 47,590	\$ 7,500
Construction in progress	2,557,397	1,679,628
Depreciable Assets		
Buildings	681,291	706,286
Gas distribution system	5,320,186	4,279,029
Equipment	13,931	20,277
Furniture/fixtures	888	3,005
Vehicles	<u>85,986</u>	<u>65,375</u>
Capital Assets, net	<u>\$ 8,707,269</u>	<u>\$ 6,761,100</u>

The major additions during the year included the acquisition of a gas distribution system and a related right-of-way totaling \$1,269,011 from a litigation settlement and additions to construction in progress totaling \$877,769. Depreciation expense was \$261,187 for the current year.

Debt Administration: At the end of 2023, the District had \$2,637,199 in outstanding debt compared to \$2,702,405 at the previous period end, see table below. This amount represents a decrease of \$65,206 from the previous year end.

OUTSTANDING DEBT AT YEAR END

	<u>2023</u>	<u>2022</u>
Direct placement debt	<u>\$ 2,637,199</u>	<u>\$ 2,702,405</u>

There was no new debt incurred during the year.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S RATES AND FEES

The Gas Utility District No. 1 of West Feliciana Parish considered the following factors and indicators when setting next year's rates and fees. These factors and indicators include:

- 1) Long-term debt requirements
- 2) Cost of operations
- 3) Number of customers

The District does not expect any significant changes in next year's budget results as compared to the current year.

**CONTACTING THE GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH'S
MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the Gas Utility District No. 1 of West Feliciana Parish, P. O. Box 2485, St. Francisville, Louisiana 70775 or 225-635- 3590.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF NET POSITION
APRIL 30, 2023

ASSETS

Current Assets:	
Investments	\$ 1,780,661
Accounts receivable, net	225,179
Prepaid expenses	11,626
Other assets	30,480
Total current assets	<u>2,047,946</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	2,119,678
Capital assets, net of depreciation	8,707,269
Total noncurrent assets	<u>10,826,947</u>
Total assets	<u>12,874,893</u>

LIABILITIES

Current liabilities:	
Payable from current assets:	
Accounts payable	137,146
Cash overdraft	208,551
Accrued salaries and benefits payable	15,351
Compensated absences, short-term portion	14,680
Total current liabilities (payable from current assets)	<u>375,728</u>
Payable from restricted assets:	
Accrued interest payable	4,606
Bonds payable, short-term portion	67,502
Total current liabilities (payable from restricted assets)	<u>72,108</u>
Noncurrent liabilities:	
Compensated absences	38,061
Customer deposits	66,994
Bonds payable	2,569,697
Total noncurrent liabilities	<u>2,674,752</u>
Total liabilities	<u>3,122,588</u>

NET POSITION

Net investment in capital assets	6,065,464
Restricted for bond related payments	2,052,684
Unrestricted	1,634,157
Total net position	<u>\$ 9,752,305</u>

The accompanying notes are an integral part of this financial statement.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEAR ENDED APRIL 30, 2023

OPERATING REVENUE

Charges for services:	
Gas sales	\$ 3,713,466
Penalties/late charges	2,908
Other	19,777
Total operating revenues	<u>3,736,151</u>

OPERATING EXPENSES

Administrative	352,210
Depreciation	261,187
Employees and related expenses	493,661
Gas purchases	2,063,081
Occupancy	52,279
Total operating expenses	<u>3,222,418</u>

Operating income 513,733

NON-OPERATING REVENUES (EXPENSES)

Interest income	81,541
Interest expense	(113,495)
Litigation settlement	1,369,011
Total non-operating revenues/(expenses)	<u>1,337,057</u>

Change in net position 1,850,790

Net position, beginning of year 7,901,515

Net position, end of year \$ 9,752,305

The accompanying notes are an integral part of this statement.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2023

Cash flows from operating activities:

Cash received from customers	\$ 3,860,874
Cash paid to suppliers for goods/services	(2,754,570)
Cash paid to employees for services	(492,776)
Cash received from others	19,777
Net cash provided by operating activities	<u>633,305</u>

Cash flows from capital and related financing activities:

Principal paid on bonds payable	(65,206)
Interest paid on bonds	(113,609)
Acquisition/construction of capital assets	(938,345)
Net cash used in capital and related financing activities	<u>(1,117,160)</u>

Cash flows from investing activities:

Interest received	81,541
Investments matured/reinvested	5,809
Net cash provided by investing activities	<u>87,350</u>

Net decrease in cash and cash equivalents (396,505)

Cash and cash equivalents, beginning of year 2,516,183

Cash and cash equivalents, end of year \$ 2,119,678

Classified as:

Current	\$ -
Restricted	2,119,678
Total:	<u>\$ 2,119,678</u>

Reconciliation of operating income to net cash from operating activities:

Operating income	\$ 513,733
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	261,187
Lawsuit settlement proceeds	100,000
(Increase) decrease in assets:	
Accounts receivable	41,321
Prepaid expenses	(6,431)
Other assets	342
Increase (decrease) in liabilities:	
Accounts payable	(489,462)
Cash overdraft	208,551
Accrued salaries and benefits payable	(3,799)
Customer deposits	3,179
Compensated absences payable	4,684
Net cash provided by operating activities	<u>\$ 633,305</u>

Non cash capital and related financing activities:

Acquisition of capital assets from litigation settlement	<u>\$ 1,269,011</u>
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The accompanying notes are an integral part of this statement.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Gas Utility District No. 1 of West Feliciana Parish (hereinafter referred to as the District), located in St. Francisville, Louisiana, was created by the West Feliciana Parish Government as allowed under Louisiana Revised Statutes 33:4301-4308. Eleven commissioners, seven of which are appointed by the West Feliciana Parish Government, two by the Town of St. Francisville, one by the warden of the Louisiana State Penitentiary (Louisiana Department of Public Safety) and one by the chief executive officer of the Eastern Louisiana Mental Health System (Louisiana Department of Health and Hospitals), govern it. Serving approximately 430 customers, it was created to provide natural gas services to the citizens of West Feliciana Parish residing within its boundaries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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. The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations. The District's financial statements follow the guidance mentioned in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements*.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied.

The District accounts for its activities in an enterprise fund. An enterprise fund is accounted for on an economic resources measurement focus. The fund is maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the accounting period incurred, if measurable. Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from services provided in connection with the District's principal operations. Operating expenses include the cost of services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The District maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the District may invest in obligations of the U.S. Treasury and U.S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Accounts Receivable

All receivables are recognized based on the monthly amounts billed for gas consumption of District customers. The allowance for uncollectible accounts is based on management's estimate of the collectability of the receivables based on current economic conditions, experience, and other relevant factors. Accounts receivable are recorded net of an allowance of uncollectible accounts of \$2,872 at April 30, 2023.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position.

Restricted Assets

Based upon certain bond covenants, the District is required to establish and maintain prescribed amounts of resources (consisting of investments) in special funds that can be used only to service outstanding debt. These assets are classified as restricted assets on the statement of net position because their use is limited. Also included in restricted assets are customer deposits that were paid during the initial account opening.

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. Maintenance and repairs expenditures are charged to expense as incurred. Additions, renewals, and betterments that extend the life, or increase the value of assets, are 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. The threshold for capitalizing assets is \$5,000. Depreciation is computed using the straight-line method of depreciation over the following lives – buildings 39 years; gas distribution system 26 to 33 years; equipment 5 to 7 years; furniture/fixtures 7 years; and vehicles 5 years. Donated/acquired capital assets is recorded at the estimated fair value on the dated donated/acquired.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The District allows annual leave to regular full-time employees based on length of service. No leave is earned, however, while on suspension or leave without pay status. Annual leave may be carried over to the next calendar year. There is no limit on the amount of annual leave an employee may accumulate during the term of his/her employment, but only a maximum of 480 hours will be paid to the employees upon retirement or separation unless approved by the Board Members of the District. Employees are not paid for their unused annual leave at year-end, but are paid for accumulated, unused leave upon termination.

The District's regular full-time employees earn a certain amount of sick leave each year, depending upon the length and their employment status. Unused sick leave is not to exceed 960 hours. Upon separation of employment, excluding retirement, no sick leave shall be paid to employees. The balance of the sick leave shall be kept on the schedule for a period of five years and reinstated if the employee is rehired.

Customer Deposits

The District requires a customer deposit upon initial account opening for use of the District-owned gas meter at each residence or business. The District must hold the deposit until the customer's account is closed and at that time the deposit is returned to the customer.

Deferred Outflows, Deferred Inflows, and Net Position

Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period. The District does not have any deferred outflows or deferred inflows at April 30, 2023.

The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows, Deferred Inflows, and Net Position (continued)

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position is the balance of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

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 differ from those estimates.

Current Year Adoption of New Accounting Standard

The District adopted Governmental Accounting Standards Board (GASB) Statement 87, *Leases*. This standard requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement requires the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. This standard does not have a significant impact on the District at this time.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits with Financial Institutions

Cash and cash equivalents include demand deposits at local financial institutions with a carrying value of \$1,911,127 at April 30, 2023. Deposits in financial institutions can be exposed to custodial credit risk. 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 or the pledge of securities owned by the fiscal agent financial institution. As of April 30, 2023, the District's bank balances of these deposits totaled \$2,322,850 which were covered partially by federal deposit insurance of \$250,000 and pledged securities and a line of credit totaling \$2,762,171. The District was over collateralized by \$689,321.

Of the cash and cash equivalents included above, \$66,994 is restricted for customer deposits and \$2,052,684 is restricted for bond-related payments per the regulations of the bond issue.

Investments

As of April 30, 2023, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Investments measured at the net asset value (NAV)	
External investment pool	<u>\$ 1,780,661</u>

The \$1,780,661 in investments is invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Concentration of credit risk: The District does not have a limit on the amount the District may invest in one issuer. One hundred percent of the District's investments are in LAMP funds.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

Investments (continued)

- Foreign currency risk: Not applicable. LAMP complies with the provisions of Louisiana Law concerning permissible investments for municipalities, parishes and other political subdivisions set for in La R.S. 33:2955 and the investment policy does not provide for investment in foreign obligations.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

3. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at April 30, 2023:

Charges for services	\$ 228,051
Allowance for uncollectable accounts	<u>(2,872)</u>
Total	<u>\$ 225,179</u>

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

4. CAPITAL ASSETS

The following is a summary of the changes in capital asset for the District for the year ended April 30, 2023:

	<u>Balance</u> <u>4/30/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>4/30/2023</u>
Capital Assets, not being depreciated				
Land	\$ 7,500	\$ 40,090	\$ -	\$ 47,590
Construction in Progress	<u>1,679,628</u>	<u>877,769</u>	<u>-</u>	<u>2,557,397</u>
Capital Assets, not being depreciated	1,687,128	917,859	-	2,604,987
Capital Assets, being depreciated:				
Buildings	837,172	-	-	837,172
Less: accumulated depreciation	<u>(130,886)</u>	<u>(24,995)</u>	<u>-</u>	<u>(155,881)</u>
Net Buildings	706,286	(24,995)	-	681,291
Gas distribution system	8,646,492	1,251,690	-	9,898,182
Less: accumulated depreciation	<u>(4,367,463)</u>	<u>(210,533)</u>	<u>-</u>	<u>(4,577,996)</u>
Net Distribution System	4,279,029	1,041,157	-	5,320,186
Equipment	247,161	-	-	247,161
Less: accumulated depreciation	<u>(226,884)</u>	<u>(6,346)</u>	<u>-</u>	<u>(233,230)</u>
Net Equipment	20,277	(6,346)	-	13,931
Furniture/fixtures	19,031	-	-	19,031
Less: accumulated depreciation	<u>(16,026)</u>	<u>(2,117)</u>	<u>-</u>	<u>(18,143)</u>
Net Furniture/fixtures	3,005	(2,117)	-	888
Vehicles	150,588	37,807	-	188,395
Less: accumulated depreciation	<u>(85,213)</u>	<u>(17,196)</u>	<u>-</u>	<u>(102,409)</u>
Net Vehicles	<u>65,375</u>	<u>20,611</u>	<u>-</u>	<u>85,986</u>
Capital Assets, being depreciated, net	<u>5,073,972</u>	<u>1,028,310</u>	<u>-</u>	<u>6,102,282</u>
Capital Assets, net	<u>\$ 6,761,100</u>	<u>\$ 1,946,169</u>	<u>\$ -</u>	<u>\$ 8,707,269</u>

Depreciation expense was \$261,187 for the year ended April 30, 2023.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

5. LONG-TERM LIABILITIES

a. Activities

Long-term liabilities activity of the District for the year ended April 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Direct Placement Bonds	\$2,702,405	\$ -	(\$ 65,206)	\$2,637,199	\$ 67,502
Compensated Absences	48,057	21,674	(16,990)	52,741	14,680
Customer Deposits	<u>63,815</u>	<u>5,934</u>	<u>(2,755)</u>	<u>66,994</u>	<u>-</u>
	<u>\$2,814,277</u>	<u>\$ 27,608</u>	<u>(\$ 84,951)</u>	<u>\$2,756,934</u>	<u>\$ 82,182</u>

b. Bonds and Notes Payable

Direct Placement Bonds

The District was approved to issue Series 2008 Utility Revenue Bonds in the amount of \$2,790,000 to fund a gas line replacement/improvement project. The bonds will mature over a period of 40 years and bear interest at a rate of 4.25%. The balance at April 30, 2023, was \$2,271,073. The District has pledged future gas customer revenues, net of specified operating expenses, to repay the bonds. The bonds are payable solely from gas customer net revenues and are payable through 2049. Annual principal and interest payments are estimated to require approximately five percent of net revenues. The total principal and interest to be paid on the bonds is \$3,710,295. Principal and interest paid for the year and total customer net revenues were \$146,642 and \$3,736,151, respectively.

The District was approved to issue Series 2009 Utility Revenue Bonds in the amount of \$535,000 for additional funding for a gas line replacement/improvement project. The bonds will mature over a period of 30 years and bear interest at a rate of 4.25%. The balance at April 30, 2023, was \$366,126. The District has pledged future gas customer revenues, net of specified operating expenses, to repay the bonds. The bonds are payable solely from gas customer net revenues and are payable through 2040. Annual principal and interest payments are estimated to require approximately one percent of net revenues. The total principal and interest to be paid on the bonds is \$513,862. Principal and interest paid for the year and total customer net revenues were \$32,164 and \$3,736,151, respectively.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

5. LONG-TERM LIABILITIES (continued)

b. Bonds and Notes Payable (continued)

Utility Revenue Bonds, Series 2008 and Series 2009

These bonds are a direct placement bond that are subject to the following:

- *Events of default with finance-related consequences* - These bonds would be in default for failure of payment of principal and interest when due or non-performance of observance of covenants, agreements, or conditions in the Bond Resolution.
- *Subjective acceleration clauses* - The District may prepay the whole or any part of the principal amount of any installment on any Bond at any time.

Principal and interest payments for direct placement bonds are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 67,502	\$ 111,304	\$ 178,806
2025	70,427	108,379	178,806
2026	73,479	105,327	178,806
✔ 2027	76,664	102,142	178,806
✔ 2028	79,986	98,820	178,806
2029 - 2033	455,031	438,999	894,030
2034 - 2038	562,556	331,474	894,030
2039 - 2043	556,688	207,924	764,612
2044 - 2048	651,008	82,203	733,211
2049	43,858	386	44,244
Total	<u>\$ 2,637,199</u>	<u>\$ 1,586,958</u>	<u>\$ 4,224,157</u>

6. RETIREMENT PLAN

The District offers a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) to all employees of the District, who have received at least \$5,000 in compensation during the previous calendar year through Oppenheimer Funds. The District may make a non-elective contribution equal to 3% of compensation for the year to the SIMPLE individual retirement account of qualifying employees. The District's contributions to the plan for the year ended April 30, 2023 were \$8,977.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

7. CONCENTRATIONS

The District provides natural gas services to two customers totaling 92% of annual sales. Sales of \$1,480,365 to the East Louisiana State Hospital accounted for 40% of total sales and sales of \$1,933,433 to Louisiana State Penitentiary accounted for 52%.

8. COMMITMENTS

The District is a member of the Louisiana Municipal Gas Authority (hereinafter referred to as the Authority). As a member of the Authority, the District agrees to purchase all of its natural gas for resale to its customers through the Authority's gas distribution system. The Authority prepares an annual budget that includes an estimate of all of the Authority's operations, maintenance and general expenses relating to the operation and conduct of the business of the Authority during the year. The total amount set forth in this budget is paid monthly by each member of the Authority based on a percentage of each member's cost of gas. This contract was executed for a ten-year period, but it can be terminated by either party by giving written notice to the other party at least six months prior to termination. The District has estimated a commitment to the Authority of approximately \$1,773,000 for the subsequent period.

At April 30, 2023, the District had no construction commitments.

9. LITIGATION SETTLEMENT

In March of 2023, the District entered into a litigation agreement with a company regarding the acquisition of a gas distribution system in Angola, Louisiana. The following assets were acquired related to the litigation settlement:

Gas distribution system	\$ 1,243,920
Cash	100,000
Land	25,091
Total	<u>\$ 1,369,011</u>

10. CURRENT ACCOUNTING STANDARDS SCHEDULED TO BE IMPLEMENTED

Following is a summary of the accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the District's financial report:

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement is intended to improve financial reporting in relation to these types of arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022. The District will include the requirements of this statement, as applicable, in its April 30, 2024 financial statements. The effect of this statement or its applicability to the District are unknown at this time.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement is intended to streamline the accounting for these types of arrangements with those arrangements listed under GASB 87. The requirements of this statement are effective for periods beginning after June 15, 2022. The District will include the requirement of this statement, as applicable, in its April 30, 2024 financial statements. The effect of this statement or its applicability to the District are unknown at this time.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. SUBSEQUENT EVENTS

In May of 2024, the District was awarded a federal grant of approximately \$2.3 million from the United States Department of Transportation.

SUPPLEMENTARY INFORMATION

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF OPERATING EXPENSES
YEAR ENDED APRIL 30, 2023

ADMINISTRATIVE

Board meetings/travel	\$	1,540
Office and supplies		42,546
Official publications		331
Professional fees		162,512
Engineering and legal fees		88,728
Repairs and maintenance		18,358
Truck expense		36,275
Taxes and licenses		1,920
Total administrative		<u>352,210</u>

DEPRECIATION

261,187

EMPLOYEE AND RELATED EXPENSES

Drug testing expense		504
Group insurance/workers' comp		69,974
Payroll taxes		28,921
Retirement		8,977
Salaries and per diem		376,560
Uniforms		8,725
Total employee and related expenses		<u>493,661</u>

GAS PURCHASES

2,063,081

OCCUPANCY

Insurance		41,883
Telephone		5,104
Utilities		5,292
Total occupancy		<u>52,279</u>

Total operating expenses \$ 3,222,418

See Independent Auditors' Report.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LA

SCHEDULE OF STATISTICAL DATA
YEAR ENDED APRIL 30, 2023

<u>Month</u>	<u>Purchases</u>		<u>Cost per MMBTU</u>	<u>Sales</u>
	<u>MMBTU</u>	<u>Amount</u>		
May	18,235	\$ 160,697	\$ 8.81	\$ 265,957
June	16,353	171,673	10.50	230,459
July	15,836	131,669	8.32	230,473
August	16,850	174,340	10.35	218,227
September	15,306	165,491	10.81	286,852
October	21,783	179,819	8.26	239,314
November	32,287	222,384	6.89	398,213
December	35,544	304,031	8.55	366,597
January	36,024	248,124	6.89	547,255
February	27,992	138,557	4.95	492,356
March	24,376	97,124	3.98	208,561
April	<u>19,420</u>	<u>69,171</u>	3.56	<u>229,202</u>
Total Purchases	<u>280,006</u>	<u>\$ 2,063,080</u>	Total Sales	<u>\$ 3,713,466</u>

See Independent Auditors' Report.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF COMPARATIVE DATA
YEAR ENDED APRIL 30, 2023

	<u>2023</u>	<u>2022</u>
SUMMARY OF REVENUES AND EXPENSES		
Operating revenues	\$ 3,736,151	\$ 3,793,193
Cost of revenues - gas purchases	<u>(2,063,081)</u>	<u>(1,944,867)</u>
Gross Profit	1,673,070	1,848,326
Other operating expenses	(898,150)	(1,008,348)
Depreciation	<u>(261,187)</u>	<u>(263,671)</u>
Operating Income	<u>513,733</u>	<u>576,307</u>
Non-operating revenues	1,450,552	10,099
Non-operating expenses	<u>(113,495)</u>	<u>(116,200)</u>
Change in Net Position	<u>\$ 1,850,790</u>	<u>\$ 470,206</u>
OTHER DATA		
Capital assets, net of accumulated depreciation	\$ 8,707,269	\$ 6,761,100
Net working capital	\$ 1,600,110	\$ 1,908,320
Total assets	\$ 12,874,893	\$ 11,366,270
Long-term liabilities	\$ 2,674,752	\$ 2,730,780
Total net position	\$ 9,752,305	\$ 7,901,515
Average no. of customers	422	405
Total gas purchased and sold (MMBTU)	280,006	298,428

See Independent Auditors' Report.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
YEAR ENDED APRIL 30, 2023

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of compensation paid to board members is presented for the year ended April 30, 2023.

<u>Board Member</u>	<u>Address</u>	<u>Phone</u>	<u>Compensation</u>
Kevin Beauchamp	5916 Hwy 966, St. Francisville, LA 70775	225-933-0006	\$ 948
Neil Wright	5378 Live Oak, Dr. St. Francisville, LA 70775	225-721-1561	170
Kristi Hawkins	4367 Smith Acres Lane, Fordoche, LA 70732	925-348-5758	558
Bess Kelley	P.O. Box 430, St. Francisville, LA 70775	225-635-6207	618
Thomas Klein Jr.	6188 Hwy. 61, St. Francisville, LA 70775	225-324-9831	689
David Norwood	7764 Highland Rd., St. Francisville, LA 70775	225-635-6656	542
Mark Spillman	10756 Walker Rd, St. Francisville, LA 70775	225-721-1718	907
Odis Ratcliff	P.O. Box 101, Angola, LA 70712	225-655-2214	223
C.B. Owen	P.O. Box 1368, St. Francisville, LA 707775	225-245-4464	1,006
Glenn Thomas	9441 Sligo Rd., St. Francisville, LA 70775	225-784-9080	796
Leonard White	7371 Solitude Rd., St. Francisville, LA 70775	225-937-2216	805
Tony Vincent	P.O. Box 265, Angola, Louisiana 70712	337-396-9038	<u>128</u>
Total			<u>\$ 7,390</u>

See Independent Auditors' Report.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE SUPERINTENDENT
YEAR ENDED APRIL 30, 2023

Superintendent Name: Clay Hardouin

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,647
Benefits-insurance	13,886
Benefits-retirement	2,418
Cell phone	480
Dues	570
Total	<u>\$ 106,001</u>

See Independent Auditors' Report.

OTHER INFORMATION

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
YEAR ENDED APRIL 30, 2023
(UNAUDITED)

<u>Policy No #</u>	<u>Expiration Date</u>	<u>Company</u>	<u>Coverage</u>	
02-LX-024058454-0	5/16/22-5/16/23	Willis of New Hampshire	General Liability	\$1,000,000 each occurrence \$100,000 damage to rented premises \$5,000 medical injury \$1,000,000 personal injury \$1,000,000 general aggregate
02-CA-064597636-0	5/16/22-5/16/23	Willis of New Hampshire	Auto	\$1,000,000 each accident \$1,000,000 uninsured motorist
3680-S	11/15/22 - 11/15/23	Louisiana Workers' Compensation Corporation	Workers Compensation	\$1,000,000 each accident \$1,000,000 disease each employee \$1,000,000 disease policy limit
106921935	5/16/22 - 5/16/23	Travelers Indemnity Company	Cyber	\$1,000,000 Cyber Risk Aggregate Limit
105792182	5/18/22 - 5/18/23	Travelers Indemnity Company	Directors and Officers	\$2,000,000 for all claims
G00617299-000-000	8/01/22-8/31/23	American International Group (Monthly)	Short-term Disability	60% of weekly earnings up to \$1,150 per week

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF INFORMATION REQUIRED BY RURAL DEVELOPMENT
YEAR ENDED APRIL 30, 2023
(UNAUDITED)

Item No. 1

The District's customers' accounts receivable at April 30, 2023, is comprised of the following:

	<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
No.	380	50	430
Amount	\$225,996	\$ 2,055	\$228,051

Item No. 2

The number of active residential and non-residential users at April 30, 2023, is 408 and 22, respectively.

OTHER REPORTS

INDEPENDENT AUDITORS' 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 Members of the
Gas Utility District No. 1 of West Feliciana Parish
P. O. Box 2485
St. Francisville, Louisiana 70775

We have audited, in accordance with the 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, the financial statements of the Gas Utility District No. 1 of West Feliciana Parish (the District), as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2024.

Report on Internal Control over Financial Reporting

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

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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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* and which are described in the accompanying schedule of findings and recommendations as items 2023-002 and 2023-003.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and recommendations. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
September 30, 2024



GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED APRIL 30, 2023

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are
not considered to be material weaknesses? yes none reported

Noncompliance material to financial
statements noted? yes no

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED APRIL 30, 2023

B. Findings – Financial Statement Audit

2023-001 Approval of timesheets

Criteria: An effective system of internal control should include procedures for a review of all timesheets by the Superintendent or Board member.

Condition: Per the District’s policy, the Superintendent should review and approve all timesheets or timecards for each pay period.

Cause: The District has a policy in place regarding the approval of timesheets that is not being followed at all times.

Effect: For 19 of 26 pay periods selected for testing, the Superintendent did not review the timesheet of a supervisor.

Recommendation: The District should follow the approved policy in place regarding approval of timesheets and timecards at all times.

View of Responsible Official:

This District will implement procedures to ensure that the review of timesheets is approved and documented according to its policies.

2023-002 Timely Filing of Report with Louisiana Legislative Auditor

Criteria: In accordance with R.S. 24:513, any local auditee that receives public assistance of \$500,000 or more in revenues and other sources in any one fiscal year must be audited annually and the annual audit reporting package must be submitted to the Louisiana Legislative Auditor. The due date for the audit reporting package is six months after the organization’s fiscal year end.

Condition: The District is required to have the audit completed by the filing deadline of October 31, 2023. The District did not comply with the timeline established by regulation and therefore a finding is required by the Louisiana Legislative Auditor.

Cause: The District acquired capital assets as a result of a litigation settlement that an estimate of fair market value was needed. The District went through the process of hiring an engineering firm to assist management in determining the valuation of the assets. This resulted in the completion of the audit being delayed.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED APRIL 30, 2023

B. Findings – Financial Statement Audit (continued)

2023-002 **Timely Filing of Report with Louisiana Legislative Auditor**
(continued)

Effect: If the District is non-compliant in the future it may result in it being placed on the non-compliance list maintained by the Louisiana Legislative Auditor. In addition, R.S. 39:72.1 prohibits the payment of funds appropriated to an agency that is not in compliance with the State Audit Law.

Recommendation: The District should ensure that all needed financial information is obtained on a timely basis to allow sufficient time for the auditor to complete their procedures and meet future deadlines.

View of Responsible Official:

The District has a history of ensuring that audits are completed within the state law requirement. There are no unusual transactions anticipated for the 2024 fiscal period. Therefore, it is expected that the 2024 audit will be completed by October 31, 2024 as required.

2023-003 **Debt Reserve Requirements**

Criteria: The District's debt agreements require that certain covenants be complied with.

Condition: Based on our review of debt outstanding, we observed that certain requirements for cash reserves were not adhered to.

Cause: The District has made reserve allocations to cash accounts. However, there were reserve balances at year end that were not in compliance with debt agreements.

Effect: The District is not in compliance with certain debt reserve requirements.

Recommendation: The District should set aside the appropriate amount of cash reserves as required by each debt agreement.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED APRIL 30, 2023

2023-003 **Debt Reserve Requirements** (continued)

View of Responsible Official:

This District will review the debt agreements and ensure that the necessary cash reserves are made accordingly.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

B. Findings – Financial Statement Audit

None.

EISNERAMPER

GAS UTILITY DISTRICT NO. 1
OF WEST FELICIANA PARISH

REPORT ON STATEWIDE AGREED-UPON PROCEDURES
on COMPLIANCE and CONTROL AREAS

FOR THE YEAR ENDED APRIL 30, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board Members of the Gas Utility District No. 1 of West Feliciana Parish
and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period May 1, 2022 through April 30, 2023. The Gas Utility District No. 1 of West Feliciana Parish's (the District's) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period May 1, 2022 through April 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



EISNERAMPER LLP
Baton Rouge, Louisiana
September 30, 2024

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exception noted.

iii. **Disbursements**, including processing, reviewing, and approving.

No exception noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exception noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exception noted.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exception noted.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exception noted.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exception noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable as the District does not have a general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Not applicable as the District had no audit findings in the prior year.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 6 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending April 30, 2023, resulting in 2 bank reconciliations obtained and subjected to the below procedures, while 3 of the accounts had no reconciling items.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exception noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 deposit site and performed the procedures below.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we selected the 1 collection location for each deposit site. Review of the District's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

For the 1 collection location selected for our procedures, the employees responsible for cash collections share the same cash drawer/register.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

No exception noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exception noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

No exception noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the bank accounts selected in procedure #3. We obtained supporting documentation for each of the deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

Not applicable as the District does not maintain sequentially pre-numbered receipts.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exception noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exception noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

A single employee can initiate purchase requests, approve purchases, and is responsible for placing an order or making the purchases.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exception noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

The official responsible for signing checks does not mail the payment but returns the signed checks to the employee responsible for processing payments who then mails the checks.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

For the 5 disbursements selected for our procedures, a single employee initiated the purchase request, approved the purchase and placed / made the purchase.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 electronic disbursements and performed the procedures above. No exceptions were noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we randomly selected 5 cards (2 credit cards and 3 fuel cards) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

For 1 fuel card tested, the monthly statement provided did not contain evidence of review by someone other than the card holder.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

We randomly selected 10 transactions for 2 of the 5 cards selected in procedure #12 (3 fuel cards excluded) and performed the specified procedures. No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Of the 5 reimbursements selected for our procedures, 2 used a per diem. No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exception noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and

No exception noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, there were no agreements/contracts that were initiated or renewed during the fiscal period.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Not applicable as there were no agreements/contracts that were initiated or renewed during the fiscal period.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

Not applicable as there were no agreements/contracts that were initiated or renewed during the fiscal period.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Not applicable as there were no agreements/contracts that were initiated or renewed during the fiscal period.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Not applicable as there were no agreements/contracts that were initiated or renewed during the fiscal period.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

For 1 of 5 timesheets selected for testing, there was no evidence of supervisor approval of timesheet.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

There were no terminations during the fiscal year.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Not applicable as there were no terminations during the fiscal year.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exception noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The entity did not have any changes to the ethics policy, so this step is not applicable.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The entity has appointed an ethics designee. No exception noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

11)Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable as there were no bonds/notes issued during the fiscal period.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. For the bond selected for testing, the reserve balance was less than required by the debt covenants.

12)Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Per inquiry of management, no such instances occurred.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice was posted on the premises; however, the District does not have a website.

13)Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14)Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exception noted.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

The notice was posted on the premises; however, the District does not have a website.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2023**

Schedule A

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
No exceptions noted.
 - ii. Number of sexual harassment complaints received by the agency;
No exceptions noted.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
No exceptions noted.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
No exceptions noted.
 - v. Amount of time it took to resolve each complaint.
No exceptions noted.

**GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
APRIL 30, 2023**

Schedule B

Management has reviewed and will address the exceptions noted above.

GAS UTILITY DISTRICT NO. 1 OF WEST FELICIANA PARISH

REPORT TO MANAGEMENT

APRIL 30, 2023

September 30, 2024

Board Members of the Gas Utility District No. 1 of West Feliciana
Gas Utility District No. 1 of West Feliciana Parish
St. Francisville, LA 70775

We have audited the financial statements of the Gas Utility District No. 1 of West Feliciana Parish (the District), for the year ended April 30, 2023 and have issued our report thereon. As part of our audit, we evaluated the internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish 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.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we became aware of a matter that is an opportunity for strengthening internal controls or operating efficiency. Our comments and suggestions regarding this matter is set forth below. This letter does not affect our reports dated September 30, 2024, on the financial statements, compliance and internal controls of the District.

2023-1 Support for Receipt of Materials and Supplies

Condition: The District does not retain receipt of goods documentation when material and supply delivery orders are received.

Recommendation: We recommend that the District enhance control procedures to ensure that a copy of the receiving report is maintained, and the payment of a vendor's invoice should not be made unless a copy of the receiving report is attached.

Management's Response: We concur with the recommendation above.

2023-2 Documentation of Process Reviews

Condition: The District's management has communicated to us that there are controls in place for the review of payroll reports. We corroborated that the controls were in place during our audit procedures. However, we noted that these reviews are not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

Recommendation: We recommend that the review of payroll reports be evidenced on the documents themselves or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

Management's Response: We concur with the recommendation above.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the District's staff for their patience and cooperation with us during the performance of the audit.

This report is intended solely for the information and use of the District and its management and is not intended to be and should not be used by anyone other than these specified parties.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
September 30, 2024

